*Responsible Government.*

**PRESIDENT**: The third motion is from Mr. T. M. Varghese, and runs as follows:

"I move that the business of the Assembly be adjourned to discuss the urgent need for immediate steps being taken by Government for the establishment of responsible Government in this State subject to the powers and prerogatives of His Highness the Maharaja."

The motion is in order. I ask the House whether the member has leave to move the adjournment.

As no objection has been raised, the motion will be discussed tomorrow at 3-30 P. M.

**MR. T. C. KESAVA PILLAI**: I rise to a point of order. It was all done in great haste, Sir, and some of us had no time to raise our objections to leave being granted to Mr. T. M. Varghese for the adjournment.

**PRESIDENT**: The rule on the matter is as follows:—

"If the President is of opinion that the matter proposed to be discussed is in order, he shall read the statement to the Chamber and ask whether the member has the leave of the Chamber to move the adjournment If no objection is taken, the President shall intimate the hour at which the motion will be taken up."

The rule is perfectly clear. The objection now taken is out of order. If hon'ble members are not alert they suffer the penalty for their negligence.

## LEGISLATIVE BUSINESS.

*The Travancore Credit Bank Bill.*

**MR. KAYALAM PARAMESVARAN PILLAI** (*Law member to Government*): Sir, I beg to present the report of the Select Committee on the Travancore Credit Bank Bill, and beg to move that the Bill, as reported be taken up for consideration.

**RAO BAHADUR A. RENGASWAMI AIYAR**: I second it.

**Clause 1.**

**MR. KOTTALIL P. ABRAHAM**: (*Muvattupuzha* cum *Devicolam*): I beg to move the following amendment:—

"In sub-clause 1, line 1, insert the word 'State' after the word 'Travancore'."

The sub clause, as amended, will read as follows:—

"1. (1). This Regulation may be called the Travancore State Credit Bank Regulation."

We notice that there is sufficient co-operation of the State in the starting and working of this Bank. The statement of objects and reasons in the Draft Bill amply shows that the Government is taking in the Bank a very prominent interest. The Government takes a very fair proportion of the shares issued by the Bank. The Government controls the management. The Government nominates the first Board



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of Directors. In all ways the Government takes a very active and sufficient interest in the working of the Bank. Above all there is the guarantee of the Government in regard to the debentures issued by the Bank. From some of the provisions it is also seen that the Government gives the officers of the Bank the powers of their Revenue officers. Section 24 deals with that matter. Section 17 Sanctions the taking over by the Bank the business of the State Land Mortgage Bank. Taking all these facts into consideration, I think it is only fair and proper that the Bank be named the Travancore State Credit Bank rather than the Travancore Credit Bank.

**MR. KAYALAM PARAMESVARAN PILLAI**: Sir, After all, this is a question of a mere name and I need not remind the House that a rose smells as sweet by whatever name it may be called. Apart from that, Sir, the people who want seriously to know anything about the Bank will try to find out and when they do so they will know what the Credit Bank is and what it is not. I, oppose the amendment.

**PRESIDENT**: Before the matter is put to the vote, it may be useful for the House to remember that similar institutions based on long term credit and with Government backing exist in other countries. There is the Credit Lyonnaise in France, more or less working on the same principle. There is the Credit Anstalt in Austria and there is the Credit Foncier, all more or less working on the same footing and none of them has got the word "State' there.

**MR. KOTTALIL P. ABRAHAM**: I do not press the motion. The amendment was by leave of the House, withdrawn.

**MR. K. NARAYANAPERUMAL NADAR**: Sir, I move the following amendment:—

For sub-clause 2 of clause 1 substitute the following:—

"It shall come into force six months after the passing of the Regulation."

Sir, the reason for moving the amendment is that the regulation must come into force after an industrial survey of the State is made. The Bank cannot be of great use to the deserving industrialists till such a survey is made. The Unemployment Committee Report observes at page 53, under the heading "Industrial Survey, a desideratum." "In our opinion an industrial survey of the State by an expert or experts is a great desideratum. Such a survey will make it clear whether, and, if so, to what extent and on what lines the industrialisation of Travancore is practicable and Government, as the capitalist, will then be able to proceed on that right basis?

Sir, the object of the Bank is to give an impetus to our cottage industries and other industries. But how is it possible,, before we know the various cottage industries in our State and before we know the several lakhs of rupees necessary for the purpose. An industrial survey presupposes all these things. Before such a survey is made

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ndustrially our efforts in 95 cases out of a hundred will end in South Sea Bubble. Therefore a bare period of six months is absolutely required for such a survey to be made.

**MR. E. P. VARGHESE:** What about the Agriculturists.

**MR. K. NARAYANAPERUMAL NADAR:** Indeed the agriculturists must be helped and they must be given loans. But the agricultural loans are not more important than the industrial loans, because it is very difficult to say that the agricultural debts were really incurred for agricultural purposes. They might have spent money for election purposes, for marriage purposes, for illegal and immoral purposes. It is therefore very difficult to say that the agricultural debts were incurred merely for agricultural improvements. My contention is that the industrial loan is more imperative and more important than the agricultural loan. Therefore before such an industrial survey is made it is absolutely unwise, it is stupid on the part of the Government—the Chair has ruled that "stupid" is parliamentary—

**PRESIDENT:** The honourable member is within his rights.

**MR. K. NARAYANAPERUMAL NADAR:** Therefore, it is not right on the part of the Government to float a bank till such a survey is made; and I am right in saying that this Bank comes into force six months after the passing of the Regulation.

**MR. KAYALAM PARAMESVARAN PILLAI:** Sir, I oppose the amendment.

The amendment was put to the vote of the House and declared lost.

The question that clause 1 do stand part of the Bill was put and carried and the clause was added to the Bill.

**Clause 2.**

The question that clause 2 do stand part of the Bill was put and carried and the clause was added to the Bill.

**Clause 3.**

The question that Clause 3 do stand part of the Bill was put and carried and the clause was added to the Bill.

**Clause 4.**

**MR. PULIYOOR T. P. VELAYUDHAN PILLAI:** Sir, I move—

In line 2, before the word "the" add "with previous sanction of Our Government."

If the proposed amendment is accepted caluse 4 will read thus—

The Head Office of the Bank shall be situated at Trivandrum and *with the previous sanction of Our Government* the Board may—

(*a*) establish branch offices or agencies at such places in Travancore as the Board may determine from time to time, and

(*b*) discontinue any such branch or agency.

Sir, the object of my amendment is that neither in Travancore nor outside Travancore should any branch or agency be established without the previous sanction of Government. So far as the State Aided Bank is concernned, we are all aware—

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**PRESIDENT:** Order, order. The honourable member will recognise his limitations in that discussion.

**MR. PULIYOOR T. P. VELAYUDAN PILLAI:** Sir, we are all aware that a lot of trouble arose out of establishing several branches and agencies which the board of management of the State Aided Bank could not exercise adequate control. Moreover the proposed amendment will be only in conformity with the general scheme of the Bill. If the Government will have sufficient control over the board of directors, why should there be a provision like this in sub-clause (3) of clause 30—

> "From and after the expiry of the said period of three years the Board may appoint their own Secretary and the Bank shall pay such Secretary such salary and allowances as may be fixed by the Board with the sanction of Our Government."

Why should there be a provision like this by which the salary and allowances of the Secretary appointed by the Board after the expiry of the period of three years if Government is going to exercise sufficient control over the board of Directors ?

Moreover, clause 43 reads thus—

> "Notwithstanding anything contained elsewhere in this Regulation, the floatation and promotion of the Bank shall be in the hands of Our Government and all the expenses incurred by Our Government therefor shall be paid by the Bank."

Sir, in my opinion, promotion includes the act of advancement or furthering and so my submission is that the proposed amendment will only be in conformity with the general scheme of the Bill so far as the establishment of Branch offices or agencies will only be an act of furthering and advancement of the Bank. So I move this amendment for the acceptance of the House.

**MR. E. SUBRAMONIA AIYAR** (*Nominated*): Sir, I support the amendment. As I understand the scope of the Bill as suggested by the framer, it is mainly to do business of a special nature, that is, the advancement of long term loans. The necessity to open branches or agencies inside the State may not arise often. When the necessity arises it is my submission that no branch or agency should be opened anywhere in Travancore without the previous sanction of Government. If for the business of the Bank and for the expeditious working of the Bank, branches or agencies are necessary elsewhere the board may place the matter before Government, the Government may then call for a report and finally decide the matter. On these grounds I support the amendment.

**MR. T. M. VARGHESE** (*Pathanamthitta*): Sir, I support the amendment. This is quite in conformity with the whole scheme of the Bill and it is calculated to avoid the temptation which banks are likely to suffer from. If this particular bank is allowed to have its own way in the matter of opening branches or agencies without any previous sanction or approval of Government it is likely to lead to complications which are absolutely undesirable. I therefore support this amendment.

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**MR. S. KRISHNA AIYAR** (*Nominated*): Sir, I too support the amendment. It is a case of the Government being given further power to look to the affairs of this Bank and satisfy themselves that it is well-conducted. No doubt sometimes branches may be found necessary and it is best in the interest of the State to see that such branches are opened only with the sanction of Government.

**MR. KAYALAM PARAMESVARAN PILLAI**: Sir, in view of the unanimous opinion expressed, I am quite prepared to accept the amendment.

The amendment was put to vote and declared carried.

**MR. KOTTALIL P. ABRAHAM**: Sir, I beg to move that in line 2, the word "may" maybe omitted and the following may be added after the word "Board" and sub-clauses (*a*) and (*b*) be re-numbered as (*c*) and (*d*):

"(a) Shall establish branch offices or agencies at the headquarters of every revenue division in Travancore within a year after the Bank commences business."

Insert the word "may" at the beginning of each of the renumberd clauses (*c*) and (*d*).

As amended the clause will read;

The Head Office of the Bank shall be situated at Trivandrum and with previous sanction of Our Government the Board.

(a) shall establish branch offices or agencies at the headquarters of every revenue division in Travancore within a year after the bank commences business.

(b) may establish branch offices or agencies at such other places in Travancore as the Board may determine from time to time, and

(c) may discontinue any such branch or agency.

My object in moving this amendment is to point out the necessity for getting established the branches or agencies of this new Bank in the several revenue divisions so as to make it within easy reach of the rural population

**MR. E. P. VARGHESE**: May I know whether the honourable member means the taluks or the big divisions?

**MR. KOTTALIL P. ABRAHAM**: In the amendment I mean the big divisions, the headquarters of the revenue divisions. In course of time it may become necessary to have branches of the Bank established in every taluk, but at present we have to limit our sphere only to the headquarters of the different revenue divisions. That is why I say that within one year after the commencement of the business of the Bank the branches should necessarily be established at the several headquarters of the revenue division. Therefore, instead of the word "may" I have substituted the word "shall" just to set a compulsion as it were on the part of the Bank. By so doing the people in the villages will get greater access for dealing with the Bank and the Bank authorities in their turn will have greater chances of coming into contact with the people intending to borrow and also the properties which are offered to the Bank as security. Instead of relying upon the proverticars in the several pakuthies as in the case of the present State Land Mortgage Bank, the officers of the branch offices of the Bank may investigate into the conditions and prices of the several

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properties offered as security and the Bank will be able to do much more satisfactory work with the branch offices in the several head quarters of the revenue divisions. With these words I commend the amendment for acceptance of the House.

MR. K. P. KOCHUKORA THARAKAN : സർ, ഞാൻ ഈ ഭേദഗതിയെ അനുകൂലിക്കുന്നു. രാജ്യത്തിന്റെ നാനാഭാഗങ്ങളിലുമുള്ള എല്ലാ ജനങ്ങൾക്കും ഒരു പോലെ ഉപയോഗപ്രദമായിത്തീരണമെന്നുദ്ദേശിച്ചാണു ഇങ്ങനെ ഒരു ബിൽ കൊണ്ടുവന്നിട്ടുള്ളതു്. തലസ്ഥാനനഗരിയിൽ നിന്നും നൂറു മൈലെ തെക്കോട്ടുള്ളു. നൂറു മൈൽ അകലം വടക്കോട്ടുണ്ടു. വടക്കൻ പ്രദേശങ്ങളിലുള്ളവർക്കു് തലസ്ഥാനനഗരിയിൽ വന്നു് അവരുടെ അത്യാവശ്യങ്ങൾ നിറവേറ്റാൻ തീരെ ഉത്സാഹമായ ഒരു സ്ഥലത്താണു് അതു സ്ഥിതിചെയ്യുന്നതു്. തെക്കു ഭാഗത്തുള്ളവരെക്കാൾ വടക്കുഭാഗത്തുള്ളവർ വളരെ ക്ലേശകരമായ വിഷമം അനുഭവിച്ചുവരുന്നുണ്ടു്. അതുകൊണ്ടു് രാജ്യത്തിലുള്ള കൃഷിക്കാരായ എല്ലാപേരേയും സഹായിക്കുന്നതിനു് എല്ലാസ്ഥലത്തും ഈ ബാങ്കിന്റെ ശാഖകൾ ഉണ്ടായിരിക്കേണ്ടതാണു്. ഭേദഗതിയിൽ താലൂക്കു് എന്നു പറയാതെ ഡിവിഷൻ എന്നു പറഞ്ഞിരിക്കുന്നു. താലൂക്കിൽ എന്നു ഭേദഗതിയിൽ പറഞ്ഞിട്ടില്ലാത്തതിനാൽ താലൂക്കുതോറും ശാഖകൾ വേണമെന്നുള്ള അഭിപ്രായത്തോടു അനുകൂലിക്കാൻ നിവൃത്തിയില്ലാത്തതുകൊണ്ടാണു് ഡിവിഷൻ എന്നുള്ള ഭേദഗതിയെ അനുകൂലിക്കുന്നതു്. ഓരോ സ്ഥലത്തുമുള്ള വസ്തുക്കളുടെ വില നിർണ്ണയിക്കുന്നതിനു അതാതു സ്ഥലത്തുള്ള തഹശീൽദാർമാർക്കും പാവ്ത്യകാരന്മാർക്കും ഇതു നിമിത്തം ക്ലേശകരം സൗകര്യം ലഭിക്കുന്നതാണെന്നു മാത്രമല്ല എല്ലാപ്രദേശങ്ങളിലുള്ളവർക്കും ഇതിന്റെ പ്രയോജനം വേണ്ടവിധം ലഭിക്കുന്നതാണു്. ഈ ബാങ്കിന്റെ ശാഖകൾ സ്ഥാപിച്ചു രാജ്യത്തുള്ള കർഷകരെ അഭിവൃദ്ധിപ്പെടുത്തണമെന്നുള്ള ഗവണ്മെൻറുദ്ദേശത്തെ പരിപാലിക്കുന്നതിനുവേണ്ടി ഈ ബാങ്കിന്റെ ശാഖകൾ രാജ്യത്തിന്റെ നാനാഭാഗങ്ങളിലും സ്ഥാപിച്ചു കൃഷിക്കാരെ സഹായിക്കേണ്ടതുണ്ടു്.

ലാൻഡ് മാർട്ടഗേജ് ബാങ്ക് എന്നൊന്നു് ഉള്ളതുകൊണ്ടു വടക്കൻ തിരുവിതാംകൂർകാർക്കു പറയത്തക്ക യാതൊരുപ്രയോജനവും സിദ്ധിക്കുന്നില്ല എന്നു് ഇവിടെ വ്യസനസമേതം പ്രസ്താവിക്കേണ്ടിയിരിക്കുന്നു. ഈ ബാങ്കിന്റെ ശാഖകളെങ്കിലും എല്ലാ സ്ഥലത്തും സ്ഥാപിക്കേണ്ടതു് വളരെ അത്യാവശ്യമായതുകൊണ്ടു് ഈ ഭേദഗതിയെ ഞാൻ അനുകൂലിക്കുന്നു.

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**MR. M. G. MATHEW:** Sir, I wish to point out a technical difficulty that will arise if the amendment is accepted. The contingency may arise of the Government not sanctioning the establishnent of branches while the board is obliged to establish certain branches at certain places under this clause. Hence the acceptance of this amendment may cause a dead lock.

**MR. E. SUBRAMONIA AIYAR:** Sir I oppose the amendment. The word used in the amendment is "shall." We have already accepted an amendment to the effect that branches shall be established only with the previous sanction of our Government. Now this amendment will make it obligatory on the Board to establish branches in certain places within a year of the Regulation. We are thus calling upon the board to do something which it may not find it necessary to do.

The amendment was then put and lost.

The question that Clause 4 as amended do stand part of the bill was then put and carried and the Clause as amended was added to the Bill.

**Clause 5.**

**MR. PULIYOOR T. P. VELAYUDHAN PILLAI:** Sir, I move the following amendment:

> In Clause 5, sub-clause (1), line 4 instead of the words "one hundred" substitute "fifty" and in line 5, instead of the words "twenty five" substitute the word "fifty."

If the amendment is accepted, it will have the effect of reducing the share value from Rs. 100 to Rs. 50 and the number of shares to be issued at the outset will be fifty thousand instead of twenty five thousand as provided for in the Bill. Sir, in the Press Communique dated the 19th November 1937 regarding the establishment of a State Land Mortgage Bank, it was expressly stated that preference will be given to Travancore subjects in the matter of allotment of shares. But in the Statement of Objects and Reasons annexed to the present Bill no mention of that fact has been made. My object in moving this amendment is that as far as possible every possible facilities should be afforded for the Travancoreans to take shares in the proposed Bank. That can be done only by reducing the nominal value of a share from Rs. 100 to Rs. 50. This amendment is absolutely necessary to make this possible. And the other amendment namely the substitution of 50,000 for 25,000 is only consequential on the first. An average agriculturist should also find it possible, if he so minds, to take at least one share in the Bank. This amendment is absolutely indispensible to make the Bank a concern of the Travancore shareholders. With these observations, I comment my amendment to the acceptence of the House.

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MR. S. NILAKANTA PILLAI: I second the amendment.

PRESIDENT: I think this amendment is for the purpose of reducing the share value to Rs. 50. Mr. Narayanan has an amendment for reducing it to Rs. 20 and Mr. Raman Kunju has another to reduce it to Rs. 5. I shall call upon Mr. Narayanan to move his amendment at this stage. Though it is not printed, I shall not stand upon any formality, and the member may read out his amendment.

MR. K. R. NARAYANAN: I move:

"In Clause 5 (1), line 4, instead of "one hundred" substitute "twenty"; and in line 5 for "twenty five thousand" substitute "one lakh."

സർ, ഈ ബില്ലുകൊണ്ട് പ്രധാനമായി ഉദ്ദേശിക്കുന്നത് ഇവിടത്തെ സാമാന്യജനങ്ങളുടെ ധനസ്ഥിതിക്ക് അഭിവൃദ്ധി ഉണ്ടാക്കുന്നതിനാണ്. ഇപ്പോൾ നിശ്ചയിച്ചിരിക്കുന്നതുപോലെ ഷെയർ ഒന്നിന ൧൦൦ രൂപ എന്നനിലനിയമമായി വന്നാൽ അധികം ആളുകൾക്കും ഷെയർ എടുക്കാൻ സാധിക്കുകയില്ല. തിരുവിതാംകൂറിനെ വെളിയിലുള്ളവർ ഷെയർ അധികം എടുക്കുവാനും ഇടയുണ്ട്. സാമാന്യ ജനങ്ങൾക്കു ഷെയർ എടുക്കുന്നതിനു സൗകര്യം ഉണ്ടാക്കുന്നതിനു വേണ്ടി ഷെയർ ഒന്നിനെ ൨൦ രൂപയായി കുറയ്ക്കുന്നത് വളരെ നന്നായിരിക്കും. അപ്പോൾ തിരുവിതാംകൂറിലുള്ള സാമാന്യജനങ്ങൾക്കു ഷെയർ എടുക്കുന്നതിനു സൗകര്യമുണ്ടാകുന്നതിനും പുറമെ തിരുവിതാംകൂറിനെ വെളിയിലുള്ളവർക്ക് അധികം ഷെയർ കൊടുക്കാതിരിക്കുവാൻഒരു മാർഗ്ഗവും കൂടിയാണെ. ഷെയറിന്റെ എണ്ണം വർദ്ധിപ്പിച്ച വില കുറച്ച് കൊടുക്കുന്നപക്ഷം ഷെയർ എടുക്കുന്നയാളുകളെയെല്ലാം ബാങ്കിന്റെ യോഗത്തിനു വിളിച്ചുകൂട്ടാൻ ഉർവഹമായ ചെലവു് ഗവണ്മെൻറിനു ഉണ്ടാകുമെന്നു് ഗവണ്മെൻറുഭാഗത്തുനിന്നും ഒരു എതിരു് പറയുവാൻ കഴിയും. അതിന് എനിക്കുള്ള സമാധാനംകൂടി നേരത്തെ പറഞ്ഞു കൊള്ളട്ടെ. ഗവണ്മെൻറ ഗസറ്റിലും അല്ലെങ്കിൽ ഇവിടെ പ്രചാരത്തിലിരിക്കുന്ന പത്രങ്ങളിലും മീറ്റിംഗിനെ സംബന്ധിച്ച പരസ്യപ്പെടുത്തിയാൽ അതാതു സമയത്തു് ഷെയർ എടുക്കുന്ന ആളുകൾക്കു മീറ്റിംഗുകളിൽ ഭാഗഭാക്കുകളാകാൻ കഴിയും. ഇതുനിസ്സാരമായ ഒരു അസൗകര്യത്തെ പ്രതീക്ഷിച്ചുകൊണ്ട് തിരുവിതാംകൂറിലെ സാമാന്യജനങ്ങൾക്കു ഷെയർ എടുത്തു ബാങ്കിന്റെ ഗുണഭോക്താക്കളാകാനുള്ള സൗകര്യം തടയുന്നതു് ശരിയല്ലാത്തതുകൊണ്ടു് ഷെയറിന്റെ വില ൧൦൦ രൂപയിൽ നിന്നു് ൨൦ രൂപയായി കുറക്കണമെന്നുള്ള എന്റെ ഭേദഗതി ഇവിടെ അവതരിപ്പിച്ചുകൊള്ളുന്നു.

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**MR. C. RAMAN KUNJU:** I do not move my amendment

**PRESIDENT;** There are thus two amendments to clause 5, one by Mr. Velayudhan Pillai and another by Mr. Narayanan. I shall first put Mr. Narayanan's amendment to vote.

The amendment was put and declared carried.

**MR. KAYALAM PARAMESWARAN PILLAI:** I demand a poll.

A poll was taken with the following result:

AYES.—23

| | | | |
|---|---|---|---|
| 1 | Mr. G. P. Nilakanta Pillai | 13 | Mr. C. Jebamoney Nadar |
| 2 | ,, C. Raman Kunju | 14 | ,, K. T. Thomas |
| 3 | ,, K. Narayanaperumal Nadar | 15 | ,, K. R. Narayanan |
| 4 | ,, N. Velu Achary | 16 | ,, P. K. Kumaran |
| 5 | ,, T. M. Varughese | 17 | ,, M. Kesava Panicker |
| 6 | ,, V. K. Velayudhan | 18 | ,, Kannara Gopala Panicker |
| 7 | ,, E. J. Philipose | 19 | ,, K. Kesavan |
| 8 | ,, A. J. John | 20 | ,, K. P. Abraham |
| 9 | ,, P. Nanoo | 21 | ,, P. Kunjukrishnan |
| 10 | ,, P. J. Sebastian | 22 | ,, Kochukora Tharakan |
| 11 | ,, P. K. Kunju | 23 | ,, H. B. Mahomed Rowther |
| 12 | ,, M. G. Mathew | | |

NOES—41

| | | | |
|---|---|---|---|
| 1 | Rao Bahadur Rajyasevanirata Dr N. Kunjan Pillai | 21 | Mr. N. V. Joseph |
| 2 | Mr. K. Madhava Kurup | 22 | ,, J. E. A. Pereira |
| 3 | ,, C. V. Chandrasekharan | 23 | ,, N. Ramakrishna Pillai |
| 4 | ,, K. George | 24 | ,, E. P Varughese |
| 5 | ,, S. Sesha Aiyar | 25 | ,, J. W. Tolson |
| 6 | ,, Kayalam Parameswaran Pillai | 26 | ,, Thariathu Kunjithommen |
| 7 | ,, Rao Bahadur A. Rengaswami Aiyar | 27 | ,, Ramiah Pillai |
| 8 | ,, C. Kumara Das | 28 | ,, D. Francis |
| 9 | ,, Rajyarakshapravina R. Pitchu Aiyangar | 29 | ,, P. Vivekanandam |
| 10 | ,, K. R. Narayana Aiyar | 30 | ,, E. Subramonia Aiyar |
| 11 | ,, S. Chattanatha Karayalar | 31 | ,, N. Narayana Kurup |
| 12 | ,, S. Krishna Aiyar | 32 | ,, R. Narayanan Namboo-tiripad |
| 13 | ,, Puthupalli S. Krishna Pillai | 33 | ,, S. Narayana Pillai |
| 14 | ,, Pandarathil | 34 | ,, P. Sivarama Pillai |
| 15 | ,, S. Neelakanta Pillai | 35 | ,, P. C. Adichan |
| 16 | ,, T. P. Velayudhan Pillai | 36 | ,, M. L. D'craz |
| 17 | ,, T. T. Kesavan Sastri | 37 | ,, K. C. Karunakaran |
| 18 | Sry. Narayani Amma | 38 | ,, M. L. Janardana Pillai |
| 19 | ,, Devaki Antharjanam | 39 | ,, N. John Joseph |
| 20 | Mr. V. Chandamiah | 40 | ,, Kainikkara M. Padmanabha Pillai |
| | | 41 | ,, Kaviyoor K. K. Kochukunju |



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NEUTRALS—3.

1 Mr. M. Sivatanu Pillai
2 ,, Joseph Vithayathil
3 Mr. P. V. Mathai Chemparathi.

The amendment was declared lost.

The amendment moved by Mr. Velayudhan Pillai was next put and declared carried.

**MR. KAYALAM PARAMESWARAN PILLAI:** I demand a poll.

A poll was taken with the following result.

AYES—27.

1 Mr. S. Nilakanta Pillai
2 ,, T. P. Velayudhan Pillai
3 ,, S. Narayana Pillai
4 ,, C. Raman Kunju
5 ,, G. P. Nilakanta Pillai
6 ,, K. Narayanaperumal Nadar
7 ,, Tariathu Kunjithommen
8 ,, N. Velu Achary
9 ,, E. P. Varughese
10 ,, T. M. Varughese
11 ,, V. K. Velayudhan
12 ,, E. J. Philipose
13 ,, A. J. John
14 ,, P. Nanoo
15 Mr. P. J. Sebastian
16 ,, P. K. Kunju
17 ,, M. G. Mathew
18 ,, C. Jebamony Nadar
19 ,, P. K. Kumaran
20 ,, K. R. Narayanan
21 ,, K. T. Thomas
22 ,, M. Kesava Panicker
23 ,, Kannara Gopala Panicker
24 ,, K. Kesavan
25 ,, K. P. Abraham
26 ,, P. Kunjukrishnan
27 ,, K. P. Kochukora Tharakan

NOES—37.

1 Rao Bahadur Rajyasevaniratha Dr. N. Kunjan Pillai
2 Mr. K. Madhava Kurup
3 ,, C. V. Chandrasekharan
4 ,, K. George
5 ,, S. Sesha Aiyar
6 ,, Kayalam Parameswaran Pillai
7 Rao Bahadur A. Rengaswami Aiyar
8 Mr. C. Kumara Das
9 Rajyarakshapravecna R. Pitchu Aiyangar
10 Mr. K. R. Narayana Aiyar
11 ,, S. Chattanatha Karayalar
12 ,, S. Krishna Aiyar
13 ,, Puthupalli S. Krishna Pillai
14 ,, E. E. Pandarathil
15 ,, T. T. Kesavan Sastri
16 Sry. T. Narayani Amma
17 ,, K. Devaki Antharjanam
18 Mr. V. Chandamiah
19 Mr. N. V. Joseph
20 ,, J. E. A. Pereira
21 ,, N. Ramakrishna Pillai
22 ,, A. Thanu Pillai
23 ,, J. W. Tolson
24 ,, M. Ramiah Pillai
25 ,, D. Francis
26 ,, P. Vivekanandam
27 ,, E. Subramonia Aiyar
28 ,, N. Narayana Kurup
29 ,, R. Narayanan Namboothiripad
30 ,, P. Sivarama Pillai
31 ,, P. Adichan
32 ,, M. L. D'cruz
33 ,, K. C. Karunakaran
34 ,, M. L. Janardana Pillai
35 ,, Kanikkara M. Padmanabha Pillai
36 ,, Kaviyoor K. K. Kochukunju
37 ,, N. John Joseph

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NEUTRALS—3

| | | | |
|---|---|---|---|
| 1 | Mr. M. Sivathanu Pillai | 3 | Mr. Joseph Vithayathil |
| 2 | ,, P. V. Mathai Chemparathy | | |

The amendment was declared lost.

**MR. V. K. VELAYUDHAN:** Sir, I have given notice of another amendment to the same clause. *viz.*,

"Provided that the Government shall take not more than 50 per cent. of the shares"

To be added as a proviso to sub-clause (1) of clause 5.

**MR. KAYALAM PARAMESWARAN PILLAI:** Sir, I rise to a point of order. This imposes a charge on the public revenues of the State and the honourable member must take the previous sanction of the Dewan to enable him to move the amendment.

**PRESIDENT:** I think the objection is in order. The previous sanction of the Government must have been obtained. I have therefore no alternative but to rule the amendment out of order. At the same time I may mention that it has been made clear that the Government will either take the shares or control the shares so as to give them a predominant position in the bank.

The question that clause 5 do stand part of the bill was then put and carried and the Clause was added to the Bill.

**MR. KANNARA GOPALA PANICKAR:**

In clause 6 sub-clause (1) line, 2 delete "Our Government" substitute "legislature."

സർ, ഷെയർക്യാപ്പിറൽ ക്രട്ടുന്നതിനും കുറക്കുന്നതിനും ഉള്ള അധികാരം ക്ലാസ് ന്യ മൂലം ഗവണ്മെൻറിനു് വിക്ഷിപ്തമായിരിക്കുന്നതു. എന്നാൽ ഏതേതു സന്ദർഭങ്ങളിലാണു് ഷെയർ ക്യാപ്പിറൽ കുറക്കേണ്ടതു് എന്നും ഏതേതു സന്ദർഭങ്ങളിലാണു് ഷെയർ ക്യാപ്പിറൽ ക്രട്ടേണ്ടതു് എന്നും ജനപ്രതിനിധികളായ നിയമസഭാംഗങ്ങൾ തീർച്ച ചെയ്യുന്നതു കുറെക്കൂടി വിഹിതമായിരിക്കും എന്ന വിശ്വാസംകൊണ്ടാണു് "ഔവർ ഗവണ്മെൻറ്" എന്നതിനു പകരം "ലെജിസ്ലേച്ചർ" എന്നഭേദഗതി വരുത്തണംഎന്നു ഞാൻ ആവശ്യപ്പെടുന്നതു. കാർഷികന്നും വ്യവസായികളുമായ പൊതുജനങ്ങൾ അവരുടെ ആവശ്യങ്ങളും അഭിപ്രായങ്ങളും നിയമസഭാമെമ്പറന്മാർ മുഖാന്തരമാണു് ഗവണ്മെണ്ടിനെ അറിയിക്കുന്നതു. കൃഷിക്കാരന്റെ അഭിവൃദ്ധിക്കും അവന്റെ കടബാദ്ധ്യതകുറയ്ക്കുന്നതിനും വ്യവസായയുടെ ആവശ്യത്തിനും പണം കിട്ടിയിട്ടുണ്ടോ എന്നെല്ലാം അറിയുന്നതിനു നിയമസഭാമെമ്പറന്മാർക്കു സൗകര്യമുണ്ടായിരിക്കും. അതുകൊണ്ടു് നിയമസഭാംഗങ്ങളുടെ അഭിപ്രായം അറിയുന്നതിനും അവരുമായി പ്രതിവാദം നടത്തിയതിനു ശേഷം തീർച്ചചെയ്യുന്നതിനു *i. e.* ഷെയർ ക്യാപ്പിറൽ വർദ്ധിപ്പിക്കണമോ വേണ്ടയോയെന്നു തീർച്ചചെയ്യുന്നതു

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[Mr. Kannara Gopala Panickar ]

നുള്ള സൗകര്യം ഉണ്ടായിരിക്കണം. അതുകൊണ്ട് ഒരുവർ ഗവണ്മെണ്ട് എന്നുള്ളതുമാറി ലജിസ്ലേച്ചർ എന്നാക്കേണ്ടതു വളരെ അത്യാവശ്യമാണ്. ഞാൻ ഈ ഭേദഗതിയെ ഇവിടെ അവതരിപ്പിച്ചു കൊള്ളുന്നു.

MR. KAYALAM PARAMESVARAN PILLAI: Sir, I oppose the amendment; To say that the sanction of the legislature should be taken for either increasing or reducing the capital is to say that it should form the subject matter of another legislation, my view is that it is a matter that should be left to be decided by the Board with the approval of Government. To what extent capital has to be increased and to what extent it may be reduced are all matters to be decided by the Board and not by the legislature. In that view, the legislature will scarcely be able to come to a satisfactory conclusion too on this matter.

MR. KANNARA GOPALA PANICKAR : I do not press the amendment.

PRESIDENT : The question before the House is that Clause 6 do stand part of the Bill.

The motion was put and carried.

The Clause was added to the Bill.

**Clause 7**

MR. KANNARA GOPALA PANICKAR : Add to clause 7, the following Proviso also :

"Provided also that preference will always be given to subjects of His Highness the Maharaja in the matter of issue and allotment of shares."

സാർ, പുതിയ ബാങ്കിൽനിന്നും ഷെയർ അലാട്ടു ചെയ്യുകയും ഇഷ്യൂചെയ്യുകയും ചെയ്യുന്ന അവസരങ്ങളിൽ എല്ലായ്പോഴും തിരുവിതാംകൂർകാർക്ക് മുൻഗണനകൊടുക്കണം എന്നുള്ളതാണ് എന്റെ ഈ ഭേദഗതിയുടെ ഉദ്ദേശം. തിരുവിതാംകൂറിലെ കർഷകരുടെയും വ്യവസായികളുടെയും ഇന്ന ബാദ്ധ്യതകളെ ചുരുക്കുന്നതിനു വേണ്ടിയാണ് ഈ ബാങ്ക് ഏർപ്പെടുത്തുന്നതു്. വിദേശങ്ങളിൽ ഉള്ള മുതലാളികളും, ഇവിടത്തെ സ്ഥിതിഗതികളിൽ എന്തുചെയ്യണമെന്നറിയാൻ പാടില്ലാത്തവരുമായ ആളുകൾ വളരെ അധികം ഷെയർ എടുത്തു് അവരെല്ലാംകൂടി ഒരഭിപ്രായം രൂപീകരിച്ചു ബാങ്കിന്റെ പ്രവർത്തനം നടത്തിക്കൊണ്ടു പോകുന്നപക്ഷം ഈ ബാങ്കുകൊണ്ടു നാം ഉദ്ദേശിക്കുന്ന ഫലം ഇവിടത്തെ കൃഷിക്കാർക്കൊ വ്യവസായികൾക്കൊ ഉണ്ടാകാൻ സാധ്യമാണെന്നു തോന്നുന്നില്ല. തിരുവിതാംകൂറിൽ ധാരാളമാളുകൾ ഓഹരിയെടുക്കാൻ ഉണ്ടാകും. അതിൽ വളരെ കൂടുതൽ ആളുകൾ തിരുവിതാംകൂറിനു പുറത്തുനിന്നും ഓഹരിക്കായി അപേക്ഷിച്ചേക്കും. ഇങ്ങനെ

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യുള്ള അപേക്ഷകർ വരുമ്പോൾ തിരുവിതാംകൂറിലെ പ്രജകൾക്കു മുൻ ഗണന കൊടുക്കണം എന്ന മാത്രമേ എനിക്ക് ഉദ്ദേശമുള്ളൂ. ബാങ്കിന്റെ നടത്തിപ്പിനേയും പ്രവർത്തനത്തേയും സംബന്ധിച്ച് ഗവണ്മെണ്ടിനു വലിയ ചുമതലയുണ്ടെങ്കിലും ഓഹരിക്കാരുടെ അഭിപ്രായത്തിനും നിർദ്ദേശത്തിനും തീരെ വിലയില്ലാതെവരികയില്ല. ഇപ്പോൾ issue ചെയ്യുന്ന 2,00,000 ഓഹരികൾക്കു പുറമെ വിൽക്കുന്ന ഓഹരികളിൽ ഗവണ്മെൻറു എത്രമാത്രമെടുക്കുമെന്ന യാതൊരു ഉറപ്പും ഇല്ലാത്തതു കൊണ്ട് വിദേശികൾ അധികം ഓഹരികൾ എടുത്തു ബാങ്കിന്റെ പ്രവർത്തനത്തിൽ കൈകടത്തുവാൻ ഇടയുണ്ട്. തിരുവിതാംകൂർകാർ അപേക്ഷകന്മാരായി ഇല്ലെങ്കിൽ വിദേശികളുടെ അപേക്ഷ എല്ലാം സ്വീകരിക്കാവുന്നതാണ്. ഒരു ഓഹരിക്കു ഒരു തിരുവിതാംകൂർകാരനും ഒരു വിദേശിയും അപേക്ഷിച്ചാൽ തിരുവിതാംകൂർകാരനു പ്രാമുഖ്യം കൊടുക്കണമെന്നുള്ള തത്വം ഗവണ്മെണ്ടും ഈ സഭയും അംഗീകരിക്കുമെന്നുള്ള വിശ്വാസത്തോടുകൂടി ഞാൻ ഈ ഭേദഗതി അവതരിപ്പിക്കുന്നു.

**MR. T. M. VARUGHESE:** Sir, I support this amendment. No doubt some care has been bestowed by the framers of this Bill to invest Government with sufficient powers to control and regulate the working of the Bank and thereby safeguard the interests of the people. Nevertheless, there are large powers that will be exercised by those that are directly responsible for working the Bank to the detriment of the people of this country, if they are so inclined. Therefore it is only desirable that some direct provision is made in the Regulation itself whereby it will become compulsory that preference if possible is given to the subjects of His Highness the Maharaja to subscribe for the shares issued. I therefore support the amendment for the purpose of pointing out that it must be made clear beyond all doubts that in the matter of issue and allotment of shares preference should always be given, not only in respect of the shares now issued but in respect of those that are yet to be issued, to the subject of His Highness the Maharaja.

**MR. S. KRISHNA AIYAR:** Sir, I oppose the amendment. It has to be distinctly understood that I do not at all want that preference should not be given to Travancoreans but it should not be made a statutory obligation. In the Section itself there is a proviso which says that the first issue and allotment of shares shall be made by Our Government. I am sure the members of the House can place sufficient confidence in the Government itself and the Government will certainly see that all preference is given to the subject of His Highness the Maharaja in the matter of issue and allotment of shares.

Secondly, Mr. Kannara Gopala Panickar had tabled a motion saying that the face value of the shares should be Rs. 20 in view of the

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[Mr. S. Krishna Aiyar]

fact that the Travancoreans being very poor and it was voted upon. That pre-supposes that for the working of the Bank outside capital has to be depended on to a very large extent. Therefore I have to oppose the amendment. But I may also make it clear that I am not opposing the point that preference should be given to the Travancoreans.

**MR. M. G. MATTHEW:** Sir, I support the amendment moved by Mr. Gopala Panickar. It may be that most people in Travancore may like to take shares in the Bank but they may not have sufficient finances to do so. If preference is not given to Travancoreans it may so happen that most of the shares may belong to non-Travancoreans, and this may lead to the fact that the Bank may be managed by them. The management of the Bank will be entirely in the hands of the share-holders who have very little interest for the subjects of this State. It is therefore essential in the interests of the people of the State that preference should be given to Travancoreans, both in the allotment and issue of shares, who are the subjects of His Highness the Maharaja of Travancore. I have therefore great pleasure in supporting the amendment.

**MR. M. SIVATANU PILLAI:** Does the member mean to say that it is going to be a huge profitable concern?

**MR. M. G. MATTHEW:** That question does not arise.

**MR. M. SIVATANU PILLAI:** I want to know what the member's view is on that point.

**PRESIDENT:** If the member is willing to answer he may do so.

**MR. M. SIVATANU PILLAI:** The point that the question does not arise is a privilege vested in the Chair. Therefore I want a ruling.

**PRESIDENT:** The honourable member has put a question and he cannot pursue it to the extent of extorting an answer. The giving of the answer is within the initiative and discretion of the interrogated.

**MR. M. G. MATTHEW:** I have no hesitation in according my full support to the amendment moved by Mr. Gopala Panickar.

**MR. K. R. NARAYANAN:** സർ, മി. ഗോപാലപ്പണിക്കരുടെ ഭേദഗതിയെ ഞാൻ അനുകൂലിക്കുന്നു. ബഹുമാന്യനായ മിസ്റ്റർ എസ്. കൃഷ്ണയ്യരുടെ അഭിപ്രായത്തെ എതിർക്കേണ്ടിവന്നതിൽ എനിക്കു വളരെ മനസ്ഥാപമുണ്ടു. മി കൃഷ്ണയ്യരുടെ പ്രസംഗം ശ്രദ്ധിച്ചുകേട്ടാൽ തിരുവിതാംകൂറിൽ ധനസ്ഥിതിയില്ലാത്തവർക്കു ധനസ്ഥിതി ഉണ്ടാക്കിക്കൊടുത്തു ഷെയർ എടുക്കുന്നതിനു് ആഗ്രഹമില്ലാത്തവർക്കു പ്രലോഭനങ്ങളാൽ ഷെയർ എടുക്കുന്നതിൽ അഭിലാഷം ഉണ്ടാക്കികൊടുത്തു തിരുവിതാംകൂർകാർക്കു മുൻഗണന കൊടുക്കണം എന്നാണു മി പണിക്കരുടെ ഭേദഗതി എന്നു തോന്നിപ്പോകും. മി. പണിക്കർ അങ്ങനെ ഉദ്ദേശിച്ചിട്ടില്ല; തിരുവിതാംകൂർ മഹാരാജാവു തിരുമനസ്സിലെ പ്രജകളിൽ നി

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ന്ന് ഷെയറിന് അപേക്ഷകന്മാരായി ധാരാളം ആളുകൾ ഉണ്ടായിരിക്കയും അപേക്ഷകന്മാരുടെ കോശ്ഥിതി അതിനനുകൂലമായിരിക്കയും ചെയ്യുന്ന എങ്കിൽ അവർക്കു മുൻഗണന കൊടുക്കണം എന്നല്ലാതെ നിർബന്ധപൂർവം അപേക്ഷകന്മാരെ ഉണ്ടാക്കി തിരുവിതാംകൂറിനു മുൻഗണന കൊടുക്കണം എന്ന് ഉദ്ദേശമില്ല. ഭേദഗതിക്കാരന്റെ ഉദ്ദേശം അനുമാനിച്ചുകൊണ്ട് തിരുവിതാംകൂറിനെ ദേശീയതാല്പര്യങ്ങളിലേയ്ക്ക് നയിക്കേണ്ട ഒരു ജനപ്രമാണി ഈ വിധത്തിൽ അഭിപ്രായം പുറപ്പെടുവിച്ചതു് അത്ഭുതമായി തോന്നുന്നു. തലമുടിനാരിന്റെ വണ്ണം പോലും എതിർ പറയാൻ വയ്യാത്ത ഒരു കാര്യത്തിലാണ് കർക്കശമായ എതിർ പുറപ്പെടുവിച്ചിരിക്കുന്നതു്. ഇതിൽ ഞാൻ വാസ്തവത്തിൽ മനഃസ്ഥാപിക്കുന്നു. അതുകൊണ്ട് മി. കൃഷ്ണയ്യരുടെ കർക്കശമെങ്കിലും ലോലഃലാലമായ വാദമുഖങ്ങളെ ശക്തിപൂർവം എതിർക്കയും മി. ഗോപാലപ്പണിക്കരുടെ ഭേദഗതിയെ ഹൃദയപൂർവ്വം അനുകൂലിക്കയും ചെയ്യുകൊള്ളുന്നു.

**MR. E. SUBRAMONIA AIYAR :** Unfortunately I am not able to give my support to the amendment as it is moved by Mr. Gopala Panickar. No doubt preference must be given to Travancoreans; but whether it should form a part of the Bill is the question at issue. The Section 7 as is worded in the Bill gives sufficient power to Government in the matter of the first issue and allotment of shares. In the case of later issues, the Board no doubt is given the power, and it is for us to consider whether the power given to the Board should be restricted. I would rather have such a restriction as a bye-law than as a part of the Statute itself but am against it though I do not oppose the principle of the amendment.

**MR. V. K. VELAYUDHAN:** I strongly support the amendment. There is no question of want of confidence in the Government. The representatives of this House have a duty to safeguard the interests of the people. The scheme embodied in this Bill has very serious and far-reaching consequences to the people of the State. There is no question of funds coming in by selling the shares. The amount to be realised by selling them is comparatively very small to the amount that may be realised by the issue of debentures. Outside funds may be coming in by the issue of debentures. The question is whether the people of the State should have an effective control in the management of the affairs of the Bank. My object in supporting the amendment is that the average Travancorean should be given all facilities in taking shares and should have an effective control in the management of the Bank. When ever Travancoreans apply for shares, certainly preference should be given to them as against non-Travancoreans. I do not find any logic in the argument raised by the honourable member Mr. S. Krishna Iyar in saying that the Travancoreans being very poor, it may not be possible to allot all the shares to Travancoreans alone. What I really

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[Mr. V. K. Velayudhan]

contend is that if sufficient number of Travancoreans apply the shares should be allotted to them alone and that outsiders should be given shares only in case Travancoreans are found wanting. I do not understand why the interests of the Travancoreans should be rejected in preference to a foreigner. Therefore I support the amendment.

**MR. K. T. THOMAS**: Sir, in rising to support the amendment before the House I have very little to add. The question is one of principle *viz.*, whether in the allotment of shares preference ought to be given to applicants from Travancore from among the subjects of His Highness the Maharaja. I understand that the amendment has not yet been opposed on principle. It has been conceded that confidence may be reposed in Government to discharge their function in such a way as to afford preference to Travancoreans. That point has not been opposed. It was suggested by another member that in so far as there is a provision that the first issue and allotment of shares shall be made by Our Government in the statute, it is possible that preference will be shown to Travancoreans and that therefore in the matter of subsequent allotment alone provision need be made and for that end, change may be made in Schedule II. I personally do not feel inclined to subscribe to the view, that the question of confidence in the Government or in their proper discharge of obligations reposed in them by the statute should be invoked in a discussion of this kind. Certainly the carrying of the amendment need not at all be suggested as in any way derogatory to the absolute confidence that this House reposes in the Government and for that matter, the Government will discharge their duties pertaining to them under the Statute in the most proper and desirable manner. To oppose the amendment therefore by that argument is certainly unfair, if I should put it so. If, as was suggested, it is possible to make a provision in regard to subsequent allotments I do not at all see how an argument can be raised against a provision being made so as to cover not only the subsequent but all the allotment of shares. Therefore I have very great pleasure in supporting the amendment moved by Mr. Kannara Gopala Panickar.

**MR. P. KUNJUKRISHNAN** (*Quilon* cum *Kottarakara*): Sir, I rise to support the amendment. The amendment intends to give preference to Travancoreans when they apply for shares. There is no point in the argument that the people of Travancore are poor and therefore no application will be forthcoming from them and out of necessity outsiders will have to be given shares. The point here is that when Travancoreans and outsiders apply preference should be given to the subjects of His Highness the Maharaja. There are two points in support of the argument for not allowing the foreigners to have large number of shares. If outsiders are given large number of shares the control of the Bank will go to their hands and that will prejudicially affect the material prosperity of the country to a very great extent. There is one other point also. When the powers under the Revenue Recovery Regulation are to be given to the Bank it enables the Bank to get

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possession of the properties and this will be very detrimental to the peopla of the State if foreigners are allowed to have shares in large numbers. If that is allowed to take place, in course of time foreigners will be in possession of a very large extent of the landed property of the State. So my point is that, as far as possible, Travancoreans should be given preference in case when Travancoreans and outsiders apply so that when the property comes to be sold as per the Revenue Recovery Regulation we should see that the property goes mostly to the hands of Travancoreans and not to outsiders. With these words, I support the amendment.

**MR. A. THANU PILLAI:** I also rise to support the amendment. So far as I have been able to understand, no member has spoken against the principle sought to be introduced by the amendment. It is, more or less, as a matter of expediency and probably as a matter of confidence in the Government that some members opposed the amendment. I do not see much point in that. Our past experience points to the desirability of introducing a legislative provision sought to be introduced by the amendment. On former occasions when certain companies were started in Travancore on Government initiative, a large number of shares were taken by foreigners and we were told that it was because Travancoreans were slow in coming forward to take shares. Personally I am not satisfied that sufficient opportunities were given to Travancoreans in those cases. I would request the Government to give ample opportunities to Travancoreans. Sufficient notice should be given so that Travancoreans may take as many shares as possible. It may not be an investment which may, in the nature of things, bring in large returns. But let us give ample opportunities to Travancoreans. My point is that the control of the Bank should be in the hands of Travancoreans. No doubt, Government will exercise a large amount of control. Even if the remaining part of the control be in the hands of outsiders, it may be detrimental to the interest of Travancore especially considering the object with which the Bank is established. Therefore I insist upen Travancoreans being given preference to outsiders. I sm emphatically of the opinion that the control of the Bank should, as far as possible, be in the hands of our Government and our people. If Government mean to do it in fact, I do not see any objection to embodying it in the provisions of the legislation. We do not want to give any false hopes to outsiders. Let us say openly and plainly what we propose to do. So I support the amendment.

**MR. KAYALAM PARAMESVARAN PILLAI:** Sir, I oppose the amendment. But let me say atonce that I quite agree with that the control of the Bank should be in the hands of Travancoreans and that preference should be given to Travancoreans as far as possible in the matter of allotting shares. But I object to any statutory obligation being put on the Board for that purpose. I do not see any reason for doing so. On the otherhand it will be foolish on our part to place any such obligation. When it was contended by Mr. Krishna Iyer that Travancore people



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may not have money to take up all shares I think that what he meant was not that Travancoreans should not be given preference but that Travancore people may not really be able to subscribe to all the shares. If that be so, and if any statutory preference is laid down for Travancoreans, the question is whether any outsider will offer to take shares in this Bank on the mere off chance of being allotted some shares after all the preference is given and exhausted. I think that it is very doubtful and the result will be that all our shares may not be subscribed at all. There is another thing to be considered. This amendment deals with only the *allotment* of shares to Travancoreans. But what about subsequent transfers? Logically you must say also that shares shall not be tranferred to outsiders. And if you say that transfers shall not be recognised if made in the name of non-Travancoreans, what will be the value of our shares? It will go down straightaway. And who will quote for our shares? We have no share market of our own. Outside markets will not think it worth while to quote our shares, for their constituents cannot purchase these shares. I believe that nobody will dispute the point that if Travancoreans are not really able to raise the whole capital for this Bank then, surely, outsiders should be permitted to own the shares How will that be possible if we are going to put in the Statuate itself that shares will not be allowed to be purchased by outsiders? We must look at the practical side of things and not at the merely idealistic, though I can agree that Travancoreans should be given all preference in fact. Government will have a dominating voice over the affairs of the Bank. Government will look to the Travancore people. The first allotment will be made by the Government and it may be presumed that in that allotment consideration will be given to Travancoreans. If Travancoreans are prepared to take all the 25,000 shares, they can certainly have them. Necessity may arise for the increase of capital. It will be readily conceded that although the 25,000 shares may be taken by Travancoreans at the outset, it is quite possible that some may be transferred to outsiders. Now the question is, in case Travancoreans are not able to take the whole shares who else will take them? As for control over the Bank we are providing for it by so arranging things as to allow the Government a dominating voice over the affairs of the Bank. It is because Government want a control over the Bank for the benefit of the State that they are coming forward with this Bill which is a venture of a novel kind. So then the real question is whether we should put a statutory provision as proposed. Remember that, Government will try to protect the interest of Travancoreans. Is that not sufficient. It seems to me yes. Let us not do a foolish thing by statutorly providing, in effect, that no shares shall go to any outsider.

The amendment was put to vote and lost.

MR. V. K. VELAYUDHAN: I demand a poll.

A poll was taken and the House divided as follows :—

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AIYES—28.

| | | | |
|---|---|---|---|
| 1 | Mr. Kottalil P. Abraham | 15 | Mr. P. Nanoo |
| 2 | ,, Kannara Gopala Panickar | 16 | ,, N. Narayana Kurup |
| 3 | ,, C. Jebamony Nadar | 17 | ,, K. Narayanaperumal Nadar |
| 4 | ,, A. J. John | | |
| 5 | ,, N. V. Joseph | 18 | ,, K. R. Narayanan |
| 6 | ,, K. Kesavan | 19 | ,, G. P. Nilakanta Pillai |
| 7 | ,, M. Kesava Panickar | 20 | ,, E. John Philipose |
| 8 | ,, K. P. Kochukora Tharakan | 21 | ,, N. Ramakrishna Pillai |
| | | 22 | ,, P. J. Sebastian |
| 9 | ,, P. K. Kumaran | 23 | ,, A Thanu Pillai |
| 10 | ,, Thariathu Kunjithommen | 24 | ,, K. T. Thomas |
| 11 | Sahib Bahadur P. K. Kunju | 25 | ,, E. P. Varghese |
| 12 | Mr. P. Kunjukrishnan | 26 | ,, T. M. Varughese |
| 13 | ,, M. G. Mathew | 27 | ,, V. K. Velayudhan |
| 14 | Sahib Bahadur H. B. Muhamed Rowther | 28 | ,, N. Velu Achary |

NOES—37.

| | | | |
|---|---|---|---|
| 1 | Mr. P. C. Adichan | 20 | Mr. K. G. Kunjukrishna Pillai |
| 2 | Sahib Bahadur V. Chandamiah | 21 | ,, K. Madhava Kurup |
| 3 | Mr. C. V. Chandrasekharan | 22 | ,, P. V. Mathai Chemparathy |
| 4 | ,, S. Chattanatha Karayalar | 23 | ,, K. R. Narayana Aiyar |
| 5 | ,, M. L. D'Cruz | 24 | ,, R. Narayanan Namboori |
| 6 | Srimati K. Devaki Antharjanam | 25 | Srimati T. Narayani Amma |
| | | 26 | Mr. S. Nilakanta Pillai |
| 7 | Mr. E. E. Pandarathil | 27 | ,, Kainikkara M. Padmanabha Pillai |
| 8 | ,, D. Francis | | |
| 9 | ,, K. George | 28 | ,, Kayalam Parameswaran Pillai |
| 10 | ,, M. L. Janardana Pillai | | |
| 11 | ,, N. John Joseph | 29 | ,, J. E. A. Pereira |
| 12 | ,, Joseph Vithayathil | 30 | ,, R. Pitchu Aiyangar |
| 13 | ,, K. C. Karunakaran | 31 | ,, Codiveetil C. Ramankunju |
| 14 | ,, T. C. Kesava Pillai | 32 | ,, M. Ramiah Pillai |
| 15 | ,, T. T. Kesavan Sastri | 33 | Rao Bahadur A. Rengaswami Aiyar |
| 16 | ,, S. Krishna Aiyar | | |
| 17 | ,, Puthupalli S. Krishna Pillai | 34 | ,, S. Sesha Aiyar |
| | | 35 | ,, P. Sivarama Pillai |
| 18 | ,, C. Kumara Das | 36 | ,, M. Sivathanu Pillai |
| 19 | Rao Bahadur Rajyasevaniratha Dr. N. Kunjan Pillai | 37 | ,, J. W. Tolson |

NEUTRALS—4.

| | | | |
|---|---|---|---|
| 1 | Mr. Kaviyoor K. K. Kochukunju | 3 | Mr. E. Subramonia Aiyar |
| | | 4 | ,, Puliyoor T. P. Velayudhar Pilla |
| 2 | ,, S. Narayana Pillai | | |

The motion was declared lost 28 voting for, 37 against and neutrals.

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The question that Clause 7 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 8.**

The question that Clause 8 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 9.**

The question that Clause 9 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 10.**

The question that Clause 10 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 11.**

The question that Clause 11 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 12.**

The question that Clause 12 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 13.**

The question that Clause 13 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 14.**

**MR. N. NARAYANA KURUP:** The provision as it now stands enables an ordinary tax payer who has not got anything to do with the working of the Bank to look into the share register and utilise the information he thus receives to take vengeance upon any particular shareholder. Therefore I move that the rest of the Clause after the word "gratis" be deleted. Then the section will read thus:—

> "Except when closed under the provisions of this Regulation, the register of shareholders shall, during business hours (subject to such reasonable restrictions as the Bank may impose, so that not less than two hours in each day be allowed for inspection), be open to the inspection of any shareholder gratis."

The amendment was put to vote and lost.

The question that Clause 14 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 15.**

**MR. KOTTALIL P. ABRAHAM:** I beg to move the following amendment.

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Add the following as its sub-clause :

" (b) The Bank may ordinarily grant loans of money on the first morgage of sufficient immovable property in Travancore for purposes specified in schedule I and with term extending up to thirty years.

(c) Such loans shall carry interest not exceeding four per cent per annum."

By this amendment two things are intended to be served one that the period of the loan should be fixed at 30 years and the other that the interest should be fixed not exceeding 4 per cent per annum. With regard to the term of 30 years, I may submit that the debenture issued by the Bank is stipulated to contain a term of 30 years and that the term for loans from the State Land Mortgage Bank extends up to 25 years. Although the provisions in this Bill relating to the debentures to be issued fix their period as 30 years, there are no specific provisions made to say that the loan issued from the Bank must be for any definite period. I am aware of the subsequent provision in clause 10 that the term of the loan will be left to be determined by the Board. My submission is that a long term has to be fixed by this statute. Long term loan is the very essence of the attraction for the new Bank, That is the sole benefit that the Bank can afford to the people.

That is the sole attraction for this Bill. If we leave out that essential matter and simply say that we want to issue long-term loans from the Bank I think it conveys very little meaning. The intention of this Regulation in granting long-term loans must be specified in one part or another of the Bill. Such a provision is not found in the Bill and therefore I have to introduce this amendment. As for the second part, namely the rate of interest for the loans issued by the Bank I have to say that considering the present economic condition of the people in our State any interest above 4 per cent. will be prohibitory. The income which an agriculturist of this State derives from his immovable property varies from two to six per cent. If that is the position the borrower will not be able to pay by way of interest on loans anything more than 4 per cent. per annum. If he borrows money at a rate of interest exceeding 4 per cent that would only further deteriorate his condition and plunge him into worse distress. Therefore to provide for these things.....

**MR. KAYALAM PARAMESVARAN PILLAI:** What is the rate of interest which is now paid by the agriculturist?

**MR. KOTTALIL P. ABRAHAM:** That varies in different cases. In the matter of the agricultural loans issued by the State, I understand that they carry an interest of 4 per cent. per annum. The provision under the Agriculturists' Relief Regulation is that ordinarily nothing more than 6 per cent. should be decreed as interest in cases where the debts were incurred for agricultural purposes. Under these circumstances I hope that the House will accept my amendment.

**MR. KAYALAM PARAMESVARAN PILLAI;** Sir, I oppose the amendment. The first portion of the amendment is as follows:

"The Bank may ordinarily grant loans of money on the first mortgage of sufficient immovable property in Travancore for purposes of specified in schedule I and with term extending up to thirty years."

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[Mr. Kayalam Parameswaran Pillai.]

This amendment carries us nowhere. Under the provisions of the Bill the Bank is not prohibited from granting loans for a period of thirty years or more; there is no restriction placed at all on the Bank in regard to the terms of a loan. That being so, the words in the amendment "the Bank may ordinarily grant loans" take us nowhere. Apart from that the provision of the period for the repayment of loans must depend on various circumstances. Generally loans for agricultural purposes are granted on long terms; loans for industrial purposes are granted for shorter terms. Moreover, loans to a rich man may be granted on short terms and to a poor man it may have to be granted on long-terms. It is for the Board to decide what term should be fixed for a particular loan. So it is best to allow that to be determined by the Board of the Bank, by bye-laws or by other means. It will not be profitable at all for as to attempt to make any provision in regard to it.

In regard to the rate of interest I concede that it is a more important question. But it is not possible to provide in the Bill itself any rate of interest; because the factors that govern the rate of interest are rather uncertain and are dependant on circumstances. If this Bank is to issue dabentures as it has to, we must know first of all what the rate of interest is that the Bank will have to pay for the debentures. Then we must be able to forecast what will be the working charges of the Bank. The Travancore Land Mortgage Bank is a department of Government. There, it has been found that no less than 2 per cent of the amount of loans is needed for working charges. It may perhaps be replied that that is because loans are not granted extensively. But, on the otherhand, there is also the fact that some of the working charges are not taken into account at all as e. g. for the valuation work conducted by Tahsildars. Therefore it can be seen that working charges cannot be fixed on any known data at present. If in the circumstances any fixed rate of interest for loans is provided by the statute then this Bank may not be able to work at all properly. I am sure that the House really wants the loans *should* be issued back. If it is impossible to grant loans on 4 per cent, what should the Bank do? Are they to close business and say that no loans will be granted. Surely, that is not what the House wants to achieve.

Let me again remind the House that the Government have a voice in this matter also. A majority of the shares will be held by Travancoreans and preference will be given to them so far as outsiders are concerned, and Government also will have shares and Government will have the ultimate voice in deciding what should be the rate of interest. And Goverenment will see that as low a interest as possible is fixed.

It has been stated by Mr. Abraham that the rate of interest for the agricultural loans granted by Government is 4 per cent. and the rate fixed by the Land Mortgage Bank is $6\frac{1}{4}$ per cent. and the rate allowed by the Agriculturists' Relief Regulation is 6 per cent. So then the rate of interest has to vary in different cases. So far as the Government are concerned

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they do not want any undue profit to be made on loans granted by them. But the Land Mortgage Bank is conducted on a commercial basis, and so they have to charge a higher rate. So far as my experience goes, the agriculturists are now paying up to 12 per cent. interest. But this Bank on private loans will lend money at a much lower rate, because debentures issued and guaranteed by Government may carry only 3 and 3½ per cent. interest and the working charges may come to say about 2 per cent. and a margin also should be provided as profit to the shareholders. Even then, the interest charged by the Bank will be lower than that charged elsewhere.

**MR. E. P. VARGHESE:** May I know whether the shareholders should be amply paid back though they are the creditor class ?

**MR. KAYALAM PARAMESVARAN PILLAI:** It is not necessary for a shareholder to be always a creditor. Further as I was saying the Government will have a dominating voice in the concern and it will be the special concern of Government that the general public are benefitted by the working of this Bank. But they must see also that the shareholders too get something. I trust that the House will take the assurance of Government that they will keep the interest as low as possible although no rate is fixed by statute.

**MR. A THANU PILLAI:** May I know whether the discussion as to the rate of interest is to be limited to this amendment or whether it may lead on to the subsequent amendment also.

**PRESIDENT:** As far as possible I shall not restrict the discussion in regard to the rate of interest. There are certain well known Rules of debate which provide that a proposition which has been voted and negatived cannot come up again for discussion.

**MR. T. P. VELAYUDHAN PILLAI:** Sir, I think this is not the proper place to discuss on the rate of interest.

**PRESIDENT:** I shall endeavour not to stifle discussion on the question of the rate of interest because it forms a fundamental part of the Bill. But I may say beforehand that if this amendment is negatived and if any other amendment of a similar nature is borught forward, I may have to rule it out of order as I am bound to do so by certain Rules of procedure.

Before the present amendment is put to vote, I think I may have to make certain points clear on the question of the rate of interest. I may point out that there may be grave difficulties in putting a statutory limit to the rate of interest. The reasons are these. The Travancore Government as well as the Provincial Governments in British India can now get money on loans at not more than 3½ per cent. But, as the honurable members know, that rate will vary greatly according to the Indian situation and the international situation, neither of which can be said to be in a state of stable equilibrium. We know as a matter of fact that the Mysore Government has had to pay 6½ per cent. under an old loan. We know that the Government of India had to float loans at 97 and 97½ with a promise of interest of 3¼ per cent., which works

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[President.]

out to 4 to 4¼ per cent. The international situation being what it is especially during the last few days, the Government of India, or for that matter the Government of England, may find it hard to get money even at 4 per cent. That is quite plain and on the cards. In that state of things, if the Government of India or our Government itself is not able to get money at less than 4 per cent. we cannot run this concern at a profit if we lay down a maximum limit. But a large number of agriculturists are really in need of immediate relief. The total amount of indebtedness has been estimated at Rs. 25 crores. And it is impossible to provide the whole of this huge amount. But it is our hope and intention to alleviate a substantial portion of the distress, by providing a portion of the amount required that can be got. But, where are we to get that amount from? We can get it only by issuing debentures at 3½ per cent. The shareholders of the Bank will naturally like to get at least half a per cent. more. Unless we are to get 5 per cent. or 4½ per cent. from the people we will not be able to pay the shareholders what they are entitled to nor to keep up the running expenses of the Bank. Let me definitely say at this juncture that it is not the object of the Government to pay one-hundredth per cent. more to the outside public than can be legitimately demanded nor is it the intention of the Government to pay more than what is absolutely necessary to attract money in the floating of debentures, they do not want to get more from debtors than what is necessary to make the Bank pay its own way. If these things are borne in mind the difficulty of fixing any particular percentage as the rate of interest will be realised by the honourabl members of the House. Apart from this, I trust the honourable members will give due consideration to the present state of the world money market which is subject inevitably, to constant fluctuations which make it impossible for us to foresee things and fix a certain rate of interest by statute.

The amendment was put to the vote of the House and lost.

The question that Clause 15 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 16.**

The question that Clause 16 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 17.**

**MR. T. M. VARUGHESE:** Sir I beg to move that the following amendment may be made in Clause 17:

In Clause 17, add the following explanation:

"Not withstanding anything contained in this Clause this Bank and not the State Land Mortgage Bank shall have the right to advance fresh loans after the date on which this Regulation comes into force."

My object in moving this amendment is to see that no conflict of functions between the State Land Mortgage and this Bank arises after

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this Bank begins to function. Sir, there are provisions in this Regulation to the effect that affairs and businesses of the State Land Mortgage Bank may be taken over by this Bank after it is established.

**PRESIDENT :** The honourable member need not dilate on this point. You may make your statement without explanations. You can speak after the Law Member has had his say.

**MR. T. M. VARUGHESE :** Sir, I move this amendment and commend it for the acceptance of the House.

**MR. A. THANU PILLAI :** May I know where it is said that this Bank will take over the affairs and businesses of the State Land Mortgage Bank?

**MR. T. M. VARUGHESE :** Sir, my information is that as a result of the establishment of this Bank the function of the State Land Mortgage Bank will be attended to by this Bank after some time. Naturally all the fresh loans that are to be transacted by the State Land Mortgage Bank should be transferred to the management of this Bank. It will result in undesirable consequences if the Land Mortgage Bank hereafter enters into these transactions with the consciousness that the result of those transactions will never have to be met by that institution. Even on first principles I may say that this will be indispensible. With these words I commend this amendment for the acceptance of the House.

**MR. KAYALAM PARAMESVARAN PILLAI :** I may mention for the information of the House that at present the idea of the Government is to wind up the business of the State Land Mortgage Bank and close it. There will be some sort of account taking and adjustments which may take some time. Thereafter the State Land Mortgage Bank will cease to exist.

**MR. A. THANU PILLAI :** Sir, I oppose this amendment. Some time may elapse before the Bank begins to function. And further there is not even a provision in the Bill that the business of the State Land Mortgage Bank should be handed over to the Bank as soon as it begins to function. Some time has to pass before the Board and the Government come to an agreement with regard to the conditions on which such transfer may be effected. How long it will take one cannot say. The Land Mortgage Bank is a concern involving an investment of about 10 lakhs of rupees. Not only that Sir, there is no obligation on the new Bank to take over the affairs of the State Land Mortgage Bank. In these circumstances I oppose the amendment.

The House adjourned for lunch at 1 P. M. and reassembled at 2 P. M. with the President in the Chair.

**MR. P. K. KUNJU :** പൊതുജനസമ്മതന്മാരായ രണ്ടു പ്രതിനിധികൾ ഇന്നാരെ ഈ പട്ടണത്തിലെ പൊതുനിരത്തുകളിൽ വച്ചു പരസ്യമായി കയ്യേറ്റം ചെയ്തതിനെപ്പറ്റി ഈ സഭയിലെ രണ്ടു ജനപ്രതിനിധികൾ അടിയന്തിരപ്രമേയം കൊണ്ടുവരികയും അതിനെപ്പറ്റി കാര്യമായി അ



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[Mr. P. K. Kunju.]

നേഷിച്ച ഉൗർജ്ജിതമായ നടപടികൾ നടത്തി വേണ്ട പരിഹാരം ചെയ്യുന്നതാണെന്ന് ദിവാൻ പ്രസിഡണ്ട് അവർകൾ അന്ന് പ്രസ്താവിക്കുകയും ചെയ്യുകയുണ്ടായി. അത് ഇപ്പോൾ ഏതുസ്റ്റേജിൽ ഇരിക്കുന്നുഎന്ന റിഞ്ഞാൽകൊള്ളാം.

**PRESIDENT**: The honourable member is out of order.

**MR. A. THANU PILLAI**: I was submitting, Sir, that it was objectionable to make a provision like the one proposed in the amendment. There may be cases in which everything has been done for the sanction of a loan, and only a meeting of the Board remains to be convened for the purpose. Now, if the amendment is accepted, even the granting of such loans will fall through. I do not think there is any real danger in allowing the Land Mortgage Bank to function even after this Bill becomes law; especially because, the Land Mortgage Bank is also a Government institution, and not a private concern. We can take it that all possible care will be taken to see that loans are issued only in deserving cases. I oppose the amendment.

**MR. T. M. VARUGHESE**: In view of the assurance given by the Law Member, I do not press the amendment.

The amendment was, by leave, withdrawn.

The question that clause 17 do stand part of the Bill was put to vote and carried. The clause was added to the Bill.

**Clause 18.**

**MR. KANNARA GOPALA PANICKER**: I beg to move the following amendment —

> In clause 8 sub-clause (a) line 3 after the word 'denominations', insert "to the nominal value of Rs. 50 lakhs."

ഡിബഞ്ചുവർ ലോൺ ഏർപ്പെടുത്തുന്നതാണെന്ന് ഈ ബില്ലിൽ പറഞ്ഞുകാണുന്നു. ഈ വിധത്തിലുള്ള ലോൺ എത്രമാത്രം വരുന്നസംഖ്യക്ക ഏർപ്പെടുത്താമെന്നുള്ളതിനെപ്പറ്റി ഇതിൽ വ്യവസ്ഥ ചെയ്തു കാണുന്നില്ല. ബാങ്കിന്റെ യുക്തംപോലെ അതു വർദ്ധിപ്പിക്കാമെന്നാണ് കാണുന്നത്. അങ്ങിനെ ചെയ്യാൽ പൊതുജനങ്ങൾക്ക് അതിനെപ്പറ്റിയുള്ള അഭിപ്രായം പറയുന്നതിന് സൗകര്യപ്പെടാതെ ആയിത്തീരുന്നതാണ്. ഒരിക്കൽ ഒരു ഡിബഞ്ചുവർ ലോൺപ്പോട്ടച്ചെയ്യാൽ ഉദ്ദേശിച്ച സംഖ്യവന്നു കഴിയുമ്പോൾ ബാങ്ക് ആ സംഖ്യ ഉപയോഗിച്ച പ്രവർത്തനം തുടങ്ങും. അത്രയും പണം ബാങ്ക് ശരിയായിട്ടാണോ ഉപയോഗിച്ചത്, പ്രവർത്തനം തൃപ്തികരമായിരുന്നുവോ എന്നെല്ലാം പൊതുജനങ്ങൾ അറിഞ്ഞതിനു ശേഷം കൂടുതൽ ഡിബഞ്ചുവർലോൺ ആവശ്യമാണെന്നുള്ള വിവരം ഗവണ്മെൻറിനെ അറിയിക്കുയും അനുവാദത്തോടുകൂടി കൂടുതൽ സംഖ്യയുള്ള ഡിബഞ്ചുവർ

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പ്പോട്ടചെയ്യാവുന്നതുമാണ്. അതുകൊണ്ട് ഈ അമൻറുമെൻറിൽ പറയുന്നതുപോലെ ൫൦ ലക്ഷം രൂപാക്ക് ഡിബഞ്ചുവർ ലോൺ പ്പോട്ട് ചെയ്യ പ്രവർത്തനം നടത്തുകയും അതു തൃപ്തികരമായിരിക്കുന്നു എന്ന് കാണുകയും ചെയ്തിനു ശേഷം കൂടുതലായി ഡിബഞ്ചുവർ ലോൺ പ്പോട്ടചെയ്യാവുന്നതാണ്. ഈ വിധത്തിൽ ക്ലിപ്തമായ സംഖ്യ എത്രയാണെന്നു നിർണ്ണയിക്കേണ്ടതു് അത്യാവശ്യമാണ്. അതുകൊണ്ടു ഡിബഞ്ചുവർ ലോൺ, ൫൦ ലക്ഷമാക്കണമെന്നുള്ള അമൻറുമെൻറിനെ ഇവിടെ അവതരിപ്പിച്ചു കൊള്ളുന്നു.

**MR. E. JOHN PHILIPOSE** (*Tiruvalla*): Sir, I support the amendment. The object of the amendment is to restrict the total value of the debentures to be issued. If at any time, any larger issue becomes necessary, the Bank will be bound to come to the Legislature for its permission to increase the total value of the debentures to be issued. Such a provision is absolutely necessary in as much as it would enable the representatives of the people to say whether after all the Bank has been working as it ought to have done, whether it is worthy of the confidence of the people and deserves further encouragement. I think there can be no difference of opinion on this matter. We are all agreed in principle as to the desirability of having a bank like the one proposed. At the same time, we are apprehensive as to the way in which it is going to work. It is absolutely essential that, at some time or other, the representatives of the people should have an opportunity to say 'Look here, you have been doing good work carry on.', or 'you are not doing good work; so, you shall not have any more funds guaranteed by the Government.' That, I think, is a matter which cannot admit of any disapprobation so far as this House is concerned. I therefore commend this amendment for the acceptance of the House.

**MR. JOSEPH VITHAYATHIL**: I oppose the amendment. Sir, the Board of Directors of the Bank cannot, by itself, issue debentures; the previous sanction of the Government is necessary. And, so far as the Government is concerned, even now, they have the power to raise debentures without the sanction of this House; it is only for the expenditure of the money so raised that the Government requires the sanction of this Legislature. I cannot understand why, if anybody has any apprehensions about the proper working of the proposed bank, the powers that the Government have even now to raise debentures without coming to the Legislature, should in any way be restricted

It will be seen that the object of this Bill is to help the agriculturists, whose total indebtedness is estimated to be about Rs. 25 crores. I cannot see what can be done with Rs. 50 lakhs to meet this requirement. There is no meaning in restricting the amount of debentures to be issued. As to what that amount should be, depends on the exigencies of the situation. I cannot find any reason to fetter the present rights of the Government. I therefore oppose the amendment.

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MR. A. THANU PILLAI: I support the amendment. Sir, the State is going to stand surety for the repayment of the amounts raised by debentures. There is no doubt that, as pointed out by Mr. Vithayathil, Government have the right now to raise loans, without reference to the Legislature. But, the matter has been now brought to the legislature, so that, it is up to it to say to what extent Government can exercise such right without further reference to it. Sir, to me this appears to be a very serious matter. When debentures are issued, we expect that, before the Government actually sanction such issue, they will see to it that a proper actuarial valuation of the assets of the Bank is made. But, where is the harm in fixing the limit of the amount which can be raised by way of debentures? Where is the harm in making it necessary for the Government to come to the Legislature again and satisfy it as to the way the Bank has been functioning and also of the desirability and the necessity of issuing further debentures? I think it will be a very salutary provision. There can be no doubt that such a safeguard as has been proposed in the amendment is necessary. I do not see any objection on principle in the provision contained in the amendment. Let us also be informed from time to time of the way the Bank is functioning. After all, to start with, the proposal is to issue shares only to the value of Rs. 12½ lakhs or Rs. 25 lakhs. Therefore, it cannot be said that the limit of Rs. 50 lakhs suggested in the amendment to start with is too low for the purposes of the Bank. When the Bank has disposed of that amount, the Government may come to us again and satisfy us that the Bank has been functioning well, doing good service to the agriculturists of the country, that loans are being issued properly, and that there is no difficulty in getting back the instalments due from the debtors. If you satisfy this House as to these matters, it will then be time for this House to sanction by legislation the raising of further debentures.

Sir, I myself have given notice of an amendment to clause 21, to fix the limit of the debentures to one crore. Now I put that figure because I thought that we may go to that length. It is a matter of discretion. One crore of rupees is the maximum of the value of the shares that may be issued and comes to about one half of the annual revenue of the State. It may be asked, if you are prepared to go to the extent of sanctioning one crore why are you not prepared to go to the extent of sanctioning two or three crores of rupees? There must be some limit. Taking the powers of Government in the matter of raising loans and also the necessity of the situation and at the same time also considering the risk that Government are likely to run, considering also, Sir, the fact that concerns like these have, generally speaking not been conducted properly in the past, we have had instances of concerns where Government money was invested and there was mismanagement and Government themselves now say that things were not properly managed—let us keep everything in view and then fix a limit. Now, if the Law Member would give me an assurance that the limit of one crore would be accepted when later on my amendment is moved, I would wait till then. If this amendment is approved by the House in the meantime I will not be sorry. So, as matters stand at present, I support this amendment.

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**MR. KAYALAM PARAMESWARAN PILLAI:** Sir, I oppose the amendment. I think there is considerable misapprehension about the scope of this clause. What this clause lays down is not that Government may spend say, fifty lakhs of rupees or one crore of rupees or any such sum. Nor does the clause seek to empower the Government to enter into a commitment which may result in the Government spending or borrowing fifty lakhs or one crore of rupees. What it lays down is firstly that the Bank may issue debentures *with the sanction* of Government; and so, unless the Government give sanction, the Bank cannot issue debentures at all. It does not need much argument to make out that Government will not give that sanction unless they have made a thorough examination into the affairs of the Bank, and the method of working of the Bank and their solvency. It is only after such a thorough examination that Government will sanction the issue of debentures. Once such sanction of Government is given, then the Government makes a guarantee for the debentures. It is there that the Government's obligation comes in. But the guarantee does not mean that the Government commit themselves to a present or future expenditure to the amount of the debentures. Only, if the Bank fails to pay the debentures, only then will Government be called upon to pay, and if Government's examination of the Banks' assets is correct and if the Government exercise their judgment rightly, the Government will never be called upon. If however the Government exercise their judgment wrongly, they may be called upon to pay, when *ex hypothesi* the Banks assets are not able to pay. That being so, the position is this: Is it the opinion of the House that they can rely upon the soundness of the judgment of Government if the amount of the debentures does not exceed fifty lakhs or a crore of rupees but that that judgment is not likely to be sound if the amount should exceed fifty lakhs or a crore of rupees by a rupee?

If the House thinks that Government are unable to exercise their judgment soundly the House ought not to permit a Government guarantee to the extent of even one rupee. The simple question then is—if the Government can be expected to exercise their judgment soundly if the amount of the debentures does not exceed fifty lakhs or one crore of rupees, does the House suspect the soundness of the judgment if the amount exceeds fifty lakhs or one crore of rupees. That is the real question to be decided. What the House is asked to do is to decide whether they can depend upon Government exercising their judgment soundly in regard to guaranteeing all debentures issued with their sanction. I ask the question—why is the House hesitant about Government exercising their judgment soundly with regard to fifty one lakhs or one crore and one lakh of rupees? If on this question the House really thinks that Government cannot exercise their judgment soundly beyond a certain limit, then it can and ought to fix a limit. But to take such a view will be quite illogical and would stand self condemned. Further the agricultural indebtedness of the country is about Rs. 25 crores or so, and in any event 50 lakhs or a crore of rupees is not going to touch the fringe of that indebtedness

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MR. A. THANU PILLAI: May I know from the Law Member, whether he can give us any idea as to the number of lakhs that is expected to be spent during the first two years after the Bank is established.

MR. KAYALAM PARAMESVARAN PILLAI: I cannot give any idea. I would have accepted one if Mr. Thanu Pillai would find it possible to give it with a sense of responsibility.

MR. A. THANU PILLAI: I would like to have some idea of the time that would be required to spend fifty lakhs or a crore of rupees.

MR. KAYALAM PARAMESVARAN PILLAI: Let it be one month or one year, it does not affect my position. If the House can rely on the soundness of the judgment of Government when an amount of fifty lakhs or one crore of rupees is involved I ask the question— why is the House doubtful about the soundness of judgment of Government when they sanction the issue of debentures for fifty one lakhs or one crore and one lakh of rupees? That is my point. Remember that it is not a question of the Government spending the money within one month or one year. I was saying that the fifty lakhs of rupees is not going to touch even the fringe of the agricultural indebtedness of the country which is about 25 crores of rupees. Is it fair, I ask, to ask Government to place on the table of the House all the affairs of the Bank whenever the Bank wants to issue debentures in future. On the contrary is it not right the House should expect that Government would through their responsible officers will examine all these things and then sanction the issue of debentures. Government will do it only after making a careful enquiry and if Government can make such an enquiry I say there is no necessity for the House to make that enquiry. Further it is not expedient that the House should do it.

MR. A. THANU PILLAI: May I know from the member, whether that is not an argument which is applicable to all matters which this House can scrutinise?

MR. KAYALAM PARAMESWARAN PILLAI: No, Sir. In regard to the Pallivasal scheme for instance a scheme may be sanctioned and it may commit Government to spending one crore. The House may sanction one crore now and then say if you want more money, please come to us and we will then consider? But that is not the case here. Here, the real point is this: if the House really expects Government to exercise its judgment soundly then there will be no liability whatever for Government. If not, Government ought not to be permitted to guarantee even one rupee. I want the House to remember that the issue before it is not whether Government should spend one crore of rupees or whether Government should be committed to an expenditure of a crore of rupees, but the issue is whether the House is prepared to trust Government with a sound judgment in regard to a crore of rupees but not if a crore and a lakh of rupees is involved.

MR. A. THANU PILLAI: Sir, I did not make any mistake in regard to the issue before the House.

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**MR. KAYALAM PARAMESVARAN PILLAI:** He did not conciously make a mistake, but nonetheless the mistake is a fact and remains there. There is no question of Government *spending* any money here. I could very well have agreed to the House examining the affairs of the Bank every time they want to issue debentures, provided it is a matter which can with wisdom be so examined. But are the affairs of the Bank, the assets of the Bank fit to be examined in the open House, before the Government sanctions a further issue of debentures? Is it not better to allow it to be examined by a small body in which Government are represented? And then again what will be the result if the Board of the Bank is unwilling to have its affairs placed before the House? They will not be able to issue debentures. What will be the result of that? It will be that the agriculturists will not get further loans. Is that the result that the House is aiming at? I request the House to consider that and if the House still wants to put a limit, by all means let it do so.

The amendment was then put to vote and declared lost.

**MR. E. JOHN PHILIPOSE:** Sir, I demand a poll,

A poll was accordingly taken with the following resul's:

AYES—23.

1. Mr. Kottalil P. Abraham
2. ,, Kannara Gopala Panickar
3. ,, C. Jabamony Nadar
4. ,, A. J. John
5. ,, K. Kesavan
6. ,, M. Kesava Panickar
7. ,, K. P. Kochukora Tharakan
8. ,, P. K. Kumaran
9. Sahib Bahadur P. K. Kunju
10. Mr. P. Kunjukrishnan
11. ,, M. G. Mathew
12. Sahib Bahudur H. B. Muhamed Rowther
13. Mr. P. Nanoo
14. ,, Narayanaperumal Nadar
15. ,, K. R. Narayanan
16. ,, G. P. Nilakanta Pillai
17. ,, E. John Philipose
18. ,, N. Ramakrishna Pillai
19. ,, P. J. Sebastian
20. ,, A. Thanu Pillai
21. ,, K. T. Thomas
22. ,, T. M. Varughese
23. ,, V. K. Velayudhan

NOES—38.

1. Mr. P. C. Adichan
2. Sahib Bahadur V. Chandamiah
3. Mr. S. Chattanatha Karayalar
4. Srimati K. Devaki Antharjanam
5. Mr. E. E. Pandarathil
6. ,, D. Francis
7. ,, K. George
8. ,, M. L. Janardana Pillai
9. ,, N. John Joseph
10. ,, N. V. Joseph
11. Mr. Joseph Vithayathil
12. ,, K. C. Karunakaran
13. ,, T. C. Kesava Pillai
14. ,, T. T. Kesavan Sastri
15. ,, Kaviyoor K. K. Kochukunju
16. ,, S. Krishna Aiyar
17. ,, Puthupalli S. Krishna Pilla
18. ,, C. Kumara Das
19. Rao Bahadur Rajyasevanirata Dr. N. Kunjan Pillai

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20. Mr. K. Madhava Kurup
21. ,, K. R. Narayana Aiyar
22. ,, P. V. Mathai Chemparathy
23. Mr. C. V. Chandrasekharan
24. ,, S. Narayana Pillai
25. Srimati T. Narayani Amma
26. Mr. Kainikkara M. Padmanabha Pillai
27. ,, Kayalam Paramesvaran Pillai
28. ,, R. Pitchu Aiyangar
29. Mr. Codiveetil C. Ramankunju
30. Rao Bahadur A. Rengaswami Aiyar
31. Mr. P. Sivarama Pillai
32. ,, M. Sivatanu Pillai
33. ,, E. Subramonia Aiyar
34. ,, J. W. Tolson
35 ,, S. Sesha Aiyar
36. ,, E. P. Varghese
37. ,, Puliyoor T. P. Velayudhan Pillai
38. ,, N. Velu Achary

NEUTRAL—1.

Mr. N. Narayana Kurup.

The amendment was declared lost. 23 voting for, 38 voting against, 1 remaining neutral.

**MR. T. P. VELAYUDHAN PILLAI:** Sir, I move in clause 18 after the sub clause (a), add the following Proviso :—

"Provided that the total value of all the debentures issued by the Board shall not exceed 10 times the nominal value of the shares already issued for subscription."

Sir, in clause 21 of the Bill the principal of and the interest on the debentures issued by the Board will carry the guarantee of Government. This is the most important provision as it will pledge the entire asset of the Government to the extent of the total amount of the debentures.

**PRESIDENT:** Does the honourable member think that the Government of Travancore will guarantee debentures to the extent of the total annual revenue ? That is what it comes to—ten times the value of the shares

**MR. T. P. VELAYUDHAN PILLAI:** Even if my amendment is accepted it does not mean that the Government should guarantee debentures to such an extent. We only wish to prescribe the maximum amount up to which alone debentures may be issued. Even though there is provision in this Bill that debentures may be issued only with the previous sanction of Government, I wish to make it clear that definite statutory restriction be placed even on Government on this matter. According to my amendment, even at the outset Government will have the power to guarantee debentures to the extent of $2\frac{1}{2}$ crores of rupees and if more shares are issued in future Government may issue debentures for a greater amount. So I move my amendment and commend it for the acceptance of this House.

The amendment was put to the vote of the House and declared lost.

The question that clause 18 do stand part of the Bill was then put and carried.

The Clause was added to the Bill.

**Clause 19.**

The question that Clause 19 do stand part of the Bill was then put and carried.

The Clause was added to the Bill.

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**Clause 20.**

The question that Clause 20 do form part of the Bill was then put and carried.

The Clause was added to the Bill.

**Clause 21.**

**MR. A. THANU PILLAI** : Sir, I move the following amendment.

Add the following at the end of Clause 21.

"Provided that such guarantee shall be limited to an amount not exceeding one crore of rupees."

Sir, I have already given my reasons for this amendment when I spoke on the previous amendment. The Law Member said that it is a question as to how far the discretion of Government can be trusted. To me it appears that this is not a matter on which the question of trust arises. It is merely a matter whether we can give so much discretion to Government. When this Legislature authorises Government to do certain things, it is also the duty of the Legislature to see that the limits imposed by it are not exceeded. Under shelter of the authority given by this Legislature, Government should not do anything they like. The Law Member said that this is not a matter of spending Government money. This is a question of issuing debentures and raising money on the security of Government. Whatever subtleties are raised, I do not think the substantial position is altered. If I understand the President aright when he made an observation in reply to Mr. Velayudhan Pillai's amendment, I thought that two and a half crores even according to Government would be too large a sum to be easily agreed to by Government as the sum to be raised by the issue of debentures. One crore is also a large sum. According to me one crore of rupees will not be enough ultimately for the work of this bank. But some considerable time will elapse before one crore is issued to the agriculturists as loans. I understand that the Land Mortgage Bank has already issued only about ten lakhs of rupees so far. I therefore believe that one crore will be enough for few years at least. When the share capital and the amount of one crore raised by means of debentures is found insufficient it will be time for Government to approach the Legislature for increasing this amount. Therefore I suggest one crore of rupees as the maximum limit of Government guarantee to start with. I hope the House will accept the amendment.

**MR. K. T. THOMAS**: Sir, I support the amendment moved by Mr. Thanu Pillai. We have been told by the Law Member that the question of fixing the maximum is one of the extent to which Government can be trusted. I am afraid from all that I have been able to listen from the honourable the Law Member that his arguments do not carry conviction with me. The question is, when the sanction of the legislature is asked for by Government for a particular power, how far that power may be extended. It is not a question of confidence being reposed in Government. It may as well be argued that the



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[Mr. K. T. Thomas.]

board may not ask for reckless sanction. The board is sufficiently controlled by Government, and the directorate of the bank is certainly bound to be under the control of Government. If a board consisting of various businessmen and experts, in whom Government repose confidence, manage the business of this bank, is it possible to expect that that board will ask for sanction for an amount which it might be thought by Government that they are not prepared to stand security for. Can you not trust that board for this amount? I am afraid that argument does not stand to reason. It is not fair to invoke that position and say that the issue is really whether this House reposes absolute confidence in the Government or not. I am even now under the impression that the vote is on the question of the extent to which this House sanctions the exercise of a discretion which this House vests by statute in Government. The House is prepared to assure the Government that unqualified and abundant confidence is by them reposed in the Government. Therefore to say whether it is reposing confidence in Government or not is really confusing the issue.

Another aspect of the question is that we have been told that in extending the guarantee for the principal of the debentures issued, Government are not making any commitment; Government are not asking for sanction for the expenditure of that amount. I believe every member of the House can understand the distinction that is sought to be made. It is not a commitment that is entered into meaning thereby that this House is not asked to give a vote on the incurring of an expenditure. The question is that the contingency of the Government having to make good if not tomorrow, at a later date the debentures issued by the Board with the sanction of Government. The fact is this: let us take an extreme case. Supposing debentures are issued for ten crores. The moment Government sanctions the issue of debentures, such sanction carries with it the guarantee of the Government. In case the Bank is not able to honour the debentures, or any portion thereof on the date on which repayment is promised, the Government are bound to hohour them. If probably owing to causes beyond the control of this Government, owing to matters arising in connection with the international money market, fluctuations of shares and the rest of it, it is found some years hence that it is not possible to honour to the fullest extent of the debentures or for that matter even a portion of the debentures, then necessarily the commitment of Government comes in and Goverment will have to shell out their money and maintain their credit and save their prestige. And that is the matter we are all anxious about. The question, therefore, is how far that commitment may go with the sanction of the Legislature. Without the sanction of the Legislature, Government can go to any extent. The question is with the sanction of the Legislature how far the Government can commit themselves. To say that it is not a commitment in that it is not a sanction for expenditure is really to forget the issue envolved in the amendment moved by the honourable member.

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It was also suggested that the rural indebtedness of the State is, according to the present reckoning, something about 25 crores, if not more. We do concede that fact. But let it be remembered that in order to rehabilitate agriculture completely, we do not want cash to the extent of 25 crores. That will be a misleading argument. For, almost every agriculturist is a debtor as much as a creditor. So that by a lesser amount it will be possible to clear away the debts. Again, the conciliation boards recently established are giving awards. When they give awards they scale down the debts. Scaling down of the principal and interest necessarily means the scaling down of debt. So that to say that one crore will certainly not touch the fringe of the problem is not correct. It may not be necessary to command in loose cash all the 25 crores as it may at the first blush be thought necessary to relieve the rural indebtedness. I, for one, therefore, would heartily support the amendment and commend it to the acceptance of the House.

MR. T. C. KESAVA PILLAI: സർ, മി. താണുപിള്ള അവതരിപ്പിച്ച ഭേദഗതിയെ ഞാൻ ശക്തിയായി എതിർക്കുന്നു. നിയമസഭയിൽ ഈ വിഷയത്തെപ്പറ്റി വാദപ്രതിവാദംനടന്നു കേട്ടിട്ട് ഗവണ്മെൻറ് എന്നാലെന്ത്? ബാങ്ക് എന്നാൽ എന്ത്? ലജിസ്ലേച്ചർ എന്നാലെന്ത്? എന്നെല്ലാം ഞാൻ ആലോചിച്ചു. നിയമസഭാമെംബറന്മാർ ഭൂരിപക്ഷം കർഷകരുടെ പ്രതിനിധികളാണ്. തിരുവിതാംകൂറിലെ കർഷകന്മാരുടെ ആവശ്യം ഇന്നു ഒരു വലിയ വിപ്ലവം വരത്തക്കനിലയിൽ നിൽക്കുന്നു എന്നു കൺസിലിയേഷൻ ബോർഡിൻെറ നടപടികൾകൊണ്ടു മനസ്സിലാക്കാവുന്നതാണ്. തിരുവിതാംകൂർ ഗവണ്മെൻറ് എത്രയുംവേഗത്തിൽ ഒരു നിയമം ഉണ്ടാക്കി കർഷകരെ സഹായിക്കണം എന്നുള്ള ഉദ്ദേശത്തിന്മേലാണ് ഈ ബിൽ ഇവിടെ അവതരിപ്പിച്ചിരിക്കുന്നത്. 2 ൭ കോടി രൂപയോളം കടമുള്ള കർഷകരുടെ സഹായത്തിനായി ഒരു കോടി രൂപാമാത്രം മതിഎന്നു പറയുന്ന ഉത്തരവാദിത്വമുള്ള മെംബറന്മാരുടെ വാദമുഖങ്ങളെ ഞാൻ ശക്തിയായി എതിർക്കുന്നു. ന. ഫ. ാം വകുപ്പിൻപ്രകാരം ഒരാളിനെ കൊലപാതകം ചെയ്യുന്നതിനെക്കാൾ കൂടുതൽ ഭയങ്കരമാണ് ട്യൂബർ ക്ലോസിസ്സ് വിഷം ഒരാളിൽ കുത്തിവച്ച് അയാളെ കുറേശ്ശേ കുറേശ്ശേ കൊല്ലുന്നത്. അതുപോലെ ഈ സംഗതിയിൽ കുറേശ്ശേ കുറേശ്ശെയായി അനുവാദം കൊടുക്കുന്നതു തിരുവിതാംകൂർ ഗവണ്മെൻറിൻെറമേൽ വിഷബീജം കുത്തിച്ചെലുത്തുന്നതിനു തുല്യമാണ്. തിരുവിതാംകൂർ ഗവണ്മെൻറ് അസുരന്മാരായ നമ്മെ മധു കുടിപ്പിക്കാൻ ഏൽപിക്കൊണ്ടുപോകുന്ന മോഹിനിയല്ലെന്നും, യഥാർത്ഥത്തിൽ കൃഷിക്കാരുടെ ആവശ്യങ്ങൾക്കായി മനഃപൂർവ്വം പ്രവർത്തിക്കുന്ന ഒരു സ്ഥാപനമാ

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[Mr. T. C. Kesava Pillai.]

ണെന്നും എന്റെ സ്നേഹിതന്മാർ മനസ്സിലാക്കേണ്ടതാണ്. ഇങ്ങനെ ജനക്ഷേമമാത്രം ഗവണ്മെന്റ പ്രവർത്തിക്കാൻ പുറപ്പെടുമ്പോൾ ഒരു കോടി രൂപ കൊടുക്കാം ഇരുപത്തഞ്ചു് ലക്ഷം രൂപ കൊടുക്കാം എന്നും മറ്റുമുള്ള മുടന്തൻ വാദങ്ങൾ പുറപ്പെടുവിക്കുന്നതു ഒട്ടും ശരിയല്ല.

ഇന്നു അനുവദിച്ചുകൊടുക്കുന്ന തുകകൊണ്ടു മതിയാകാതെ വരുന്നു എങ്കിൽ മിസ്റ്റർ താണുപിള്ളയും ഞാനും ഉൾപ്പെടെ ഒരു ഭേദഗതി ബിൽ കൊണ്ടുവരുവാൻ അപേക്ഷിയ്ക്കുകയും അതിലേയ്ക്കു ഒരു സെലക്ട് കമ്മിറ്റി ഉണ്ടാക്കുകയും മുതലായ സംഗതികൾ എത്രയും വിഷമമുള്ളതാണ്. എനിക്കും ഈ ബില്ലിനെ എതിർക്കാനും ഭേദഗതികൾ ഫാജരാക്കാനും അവകാശവും ശക്തിയുണ്ടെങ്കിലും നന്മയെ നന്മയായി കരുതി പ്രവർത്തിക്കണമെന്നുള്ള വിചാരമുള്ളവനാണു് ഞാൻ അതുകൊണ്ടു് ഈ ഭേദഗതിയെ ശക്തിയായി ഞാൻ എതിർക്കുന്നു.

**PRESIDENT :** A reference to Clause 18 will make it clear that the Board may issue debentures on the security of the assets and properties of the bank or otherwise. Therefore, the primary security in regard to debentures is the assets and the properties of the bank. It is in so far as the assets and the properties of the bank are insufficient or are not capable of bearing that burden that the Government's duty comes into operation. It must be borne in mind that after all debentures are only one of the several methods of raising money to deal with the question of rural indebtedness and rehabilitation of industries. It is provided, as is well-known, that the bank may accept long-term deposits. It is very likely, in fact it is very probable, that trust monies will be allowed to stay in the hands of a concern like this, and that trustees will rest content with comparatively small interest. Therefore to begin with we are sure to have a crtain amount of deposit on which the operations of the bank can proceed. If the share capital and the deposit amount so secured or not enongh, then alone will the Government venture upon the task of recommending the bank going in for debentures ; and, when the debentures are issued, they will be on the full security of the properties of the bank which properties will involve not only what may be called in a limited sense properties, but properties over which the bank has control either as mortgagee or otherwise. Therefore it has a very wide field ; and it is hoped that the Government's risks in regard to this matter will not be very great. On the other hand, if the securities and assets are sufficient for even larger operations, it seems to me that it would be unduly narrowing the scope and the business of the bank if we fix any arbitrary amount. But this is a matter on which, as the Law Member stated, the House is entitled to form its own judgment, and it is not the intention of Government to force the issue one way or the other. My duty is to see

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that there is no reasonable cause for apprehension because (A) there is the shareholders capital, (B) the possibility of deposit, (C) the property which is already secured by the debentures and (D) the residual surety liability of the Government as the guarantor.

The question before the House is—

Add the following at the end of Clause 21.

"Provided that such guarantee shall be limited to an amount not exceeding one crore of rupees."

The amendment was put to vote and lost.

The question that Clause 21 do stand part of the Bill was put and carried.

the Clause was added to the Bill.

**Clause 22.**

The question that Clause 22 do stands part of the Bill was then put and carried.

The Clause was added to the Bill.

**Clause 23.**

**MR. A. THANU PILLAI:** Sir, I move. In Clause, 23, insert the words "by our officers" between the words "recovered" and "as" in line, 2.

My object in making such an amendment is this:

**MR. KAYALAM PARAMESVARAN PILLAI:** On a point of order. Mr. Thanu Pillai's amendment is perhaps not quite relevant to this Clause for this lays down merely that for the recovery of loans the Revenue Recovery Regulation processes may be availed of. The question as to who should recover them comes in Clause 24. Therefore I would request Mr. Thanu Pillai to move his amendment at least for the sake of convenience in the next Clause *viz* , Clause 24.

**MR. A. THANU PILLAI:** I do not think this properly comes within the ambit of Clause 24 as is now put forward by the Law Member. The application of the provisions of the Revenue Recovery Regulation are made possible by this Clause as well.

**PRESIDENT:** The point made by the Law Member is this. In Clause 23 the question to be decided is whether the recovery by means of the operation of the Revenue Recovery Clause can be utilised by the persons who may be appointed as Officers for the purpose of such utilisation. In other words Mr. Thanu PIllai's object will be served if the officers on whom those powers are conferred are exclusively the officers of Government. If the honourable members will agree with me then the point involved in Mr. Thanu Pillai's amendment to Clause 23 can be discussed in Clause 24 and I shall give permission to do so.

**MR. A. THANU PILLAI:** I have not given notice of a motion under Clause 24.

**PRESIDENT:** I shall allow you to make any amendment.

**MR. A. THANU PILLAI:** But I have asked for the deletion of the Clause 24.

**PRESIDENT:** As far that matter first of all I shall allow Mr. Thanu Pillai to move his motion for the deletion of the Clause 24 and if he is not successful then I will give him permission to move this as amendment to Clause 24.

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**MR. A. THANU PILLAI:** Thank you, Sir.

**PRESIDENT:** Then the next amendment is in the name of Mr. Kannara Gopala Panickar

**MR. KANNARA GOPALA PANICKAR:** I do not move my amendment, Sir.

**PRESIDENT:** Mr. P. K. Kunju will please move the amendment.

**MR. P. K. KUNJU:** To Clause 23, before the explanation add the following proviso:

"Provided that the proceedings of such recovery shall be limited to the instalments then in default and the interest thereon"

**MR. KAYALAM PARAMESVARAN PILLAI:** On a point of order: Mr. Kunju's amendment does not relate to the scope of the Clause. The object of the Clause is to lay down a general provision as to the recovery of loans. Apparently the object of Mr. Kunju's amendment is that if a particular instalment is in default that alone could be recovered under the Revenue Recovery Regulation.

**PRESIDENT:** I think it can be justified for this reason that the Revenue Recovery Regulation enables recovery of amounts however exigible. Apparently the honourable member's idea is even though there is provision that in default of payment of one instalment the amount should become payable, only that one instalment should be recovered.

That is his point.

**MR. KAYALAM PARAMESVARAN PILLAI:** Then it would follow that one instalment alone should be recovered by the Revenue Recovery Regulation and that all the others may be recovered by means of a civil suit.

**MR. P. K. KUNJU:** സർ, ബാങ്കിൽനിന്നും നൽകുന്ന വായ്പകൾ യഥാകാലം തിരിച്ചടയ്ക്കാതെവരുന്നപക്ഷം അപ്പോൾ ഉണ്ടായിട്ടുള്ള കുടിശികക്കുമാത്രമല്ല മൊത്തം തുകയും പലിശയ്ക്കുംവേണ്ടി വസ്തുക്കൾ ലേലത്തിൽ വിൽക്കണമെന്നും അതിലേയ്ക്ക് റവന്യൂ റിക്കവറി റഗുലേഷൻ അനുസരിച്ചു അധികാരം കൊടുക്കണമെന്നും ആണ് ബില്ലിൽ വ്യവസ്ഥ ചെയ്തിട്ടുള്ളത്. ഇങ്ങനെയുള്ള ഒരു വ്യവസ്ഥ ബാങ്കിൽനിന്നും കടം വാങ്ങിക്കുന്ന കർഷകരേയൊ മറ്റു വ്യവസായികളേയൊ സംബന്ധിച്ചിടത്തോളം വളരെ ഉപദ്രവകരവും കഷ്ടതരവും ആയ ഒരു സംഭ്രമായമാണു. ബാങ്കിൽനിന്നു വായ്പവാങ്ങിച്ചിട്ടുള്ളവരാരെങ്കിലും ഒരു ഗഡുവ് കുടിശ്ശികവരുത്തുന്നപക്ഷം ആ കുടിശ്ശികമാത്രമെ ഈടാക്കാവു എന്നും വ്യവസ്ഥചെയ്യുന്നുവെങ്കിൽ മാത്രമെ ബാങ്കിന്റെ സ്ഥാപനംകൊണ്ടു വാസ്തവത്തിൽ ഉദ്ദേശിക്കുന്ന പ്രയോജനം കൃഷിക്കാക്കും വ്യവസായികൾക്കും ഉണ്ടാകുകയുള്ളു. ബാങ്കിലേയ്ക്കു വരുവാനുള്ള തുക ഈടാക്കുന്നതിനു ഒരു വ്യവസ്ഥ വേണമെന്നുള്ളതു

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ഞാനും സമ്മതിക്കുന്നുണ്ട്. എന്നാൽ അതു ജനങ്ങൾക്കുകൂടി പ്രയോജന പ്പെടത്തക്കരീതിയിൽ ആയിരിക്കണം. ൫൦ - വർഷത്തെ അവധിക്കു ൫൦൦൦ രൂപ വായ്പവാങ്ങുന്ന ഒരു കൃഷിക്കാരനെ സംബന്ധിച്ചിടത്തോളം നമുക്കു നോക്കാം. ദീർഘകാലാവധിക്കും കുറഞ്ഞ ശതമാനം പലിശക്കും ആണു പണം കടം കൊടുക്കുന്നതു്. ശരാശരി അയാൾ ഒരാണ്ടിൽ അടക്കേണ്ട തുക ൨൫൦ രൂപയായിരിക്കും. ഒരു കൊല്ലത്തെ കൃഷിലാഭ മായ ൨൫൦ രൂപക്കുവേണ്ടി ൫൦൦൦ രൂപക്കു അയാൾ ഇപ്പോൾ കൊടുത്തിട്ടുള്ള വസ്തുക്കളെ ലേലത്തിൽ വില്പിക്കാൻ ഇടവരുന്നതു വളരെ കഷ്ടമാണു്. ൨൫൦ രൂപ അടയ്ക്കാൻ കഴിവില്ലാത്ത ഒരുത്തനു പെട്ടെന്നു് അയ്യായിരം രൂപ കെട്ടിവയ്ക്കാൻ സാധിക്കുകയില്ലെന്നുള്ളതു ബുദ്ധിയുള്ള ഏവർക്കും കാണ്മാൻ കഴിയും. ബാങ്കിനെ ഇപ്പോഴത്തെ വ്യവസ്ഥ നിലവിലിരിക്കുന്നിടത്തോളംകാലം വാസ്തവത്തിൽ കൃഷിക്കാരെ സഹായിക്കാനല്ല ഈ ബിൽ അവതരിപ്പിച്ചിരിക്കുന്നതെന്നു അനുമാനിക്കാൻ കഴിയും. നേരെമറിച്ചു കൃഷിക്കാരായ കടക്കാരുടെ സഹായത്തിനു വേണ്ടിയുള്ള ഉദ്ദേശമാണുള്ളതു് എങ്കിൽ അതുവരെയുള്ള കടിശിഖയും അതുവരെയുള്ള പലിശയും ഈടാക്കുന്നതിനുള്ള വ്യവസ്ഥയാണു് ഏറ്റവും അത്യാവശ്യമായിട്ടുള്ളതു്. കരം ഈടാകാതെ വരുന്ന സന്ദർഭങ്ങളിൽ കരക്കുടിശിഖക്കായി വസ്തുക്കൾ ലേലത്തിൽ വിൽപ്പിക്കുമ്പോൾ ചില കൃത്രിമങ്ങൾ കാണിക്കാറുണ്ടു്. അതായതു് വസ്തുവിലുള്ള മുൻ കടങ്ങളെ കൊടുക്കാതെയിരിക്കുന്നതിനുവേണ്ടി വസ്തു ഉടമസ്ഥന്മാർതന്നെ ശ്രുപാർശചെയ്തു തുച്ഛമായ തുകയ്ക്കു് അവരുടെ ചർച്ചക്കാരെയൊ സ്നേഹിതന്മാരേയൊ അനുഭാവികളെയൊകൊണ്ടു് ലേലത്തിൽ പിടിപ്പിക്കുന്ന ഒരു സമ്പ്രദായമുണ്ടു്. എന്നാൽ ബാങ്കിനെ സംബന്ധിച്ചു അങ്ങനെയൊരു ഭയത്തിനവകാശമില്ല. കാരണം ബാങ്കിലെ കടത്തിനുവേണ്ടി ഈടുകൊടുക്കുന്ന വസ്തു ബാങ്കിനുതന്നെ വാങ്ങിക്കുന്നതിനുള്ള അവകാശവും അധികാരവും ഈ ബില്ലിൽ നിർദ്ദേശിച്ചിട്ടുണ്ടു്. കടക്കാരുടെ വസ്തുക്കളെല്ലാം ഒരു തവണമുടക്കിയെന്നകാരണത്താൽ ബാങ്കിൽനിന്നും വിൽക്കുവാനുള്ള സന്ദർഭം ഈ വകുപ്പിൽ കൊടുക്കാതെ ഇരിക്കുകയും കടക്കാരന്റെ വസ്തുക്കൾ നഷ്ടപ്പെടാതെ സൂക്ഷിക്കുന്നതിനു അവസരം നൽകുകയും ചെയ്യേണ്ടതു അത്യാവശ്യമാണു്. ഈ വകുപ്പു് കർഷകരുടെ — കടക്കാരുടെ രക്ഷയ്ക്കു് ഉതകിയതല്ലെന്നാണു് എന്റെ ഭയം. മറ്റൊരു ഭയവും എനിക്കുണ്ടു്. ബാങ്കിന്റെ ഷെയർഹോൾഡറന്മാരായി തിരുവിതാംകൂർകാരായുള്ളവർക്കു് പ്രത്യേകം മുൻഗണന കൊടുക്കണമെന്നുള്ള ഭേദഗതി ഏതോ

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[Mr. P. K. Kunju.]

ചില സ്വാധീനശക്തികളുടെ പ്രാബല്യംമൂലം തള്ളപ്പെട്ടുപോയതുകൊണ്ടാണ് എനിക്ക് ആ ഭയം ഉള്ളത്. ഷെയർ ഹോൾഡറന്മാരായിരിക്കുന്നതിൽ തിരുവിതാംകൂറുകാക്ക് മുൻഗണന നൽകാതിരിക്കുന്നതുകൊണ്ട് ബാങ്കിന്റെ ഓഹരികളുടെ ഭൂരിഭാഗം ഉടമസ്ഥാവകാശവും വിദേശികളിൽ ചെന്നുചേയിക്കുവാനാണ് ഇടയുള്ളത്. ഈ വകുപ്പുനിമിത്തം അങ്ങനെ ബാങ്കിലേക്ക് ചെല്ലുവാനുള്ള തുകകൾക്കുവേണ്ടി ഇവിടത്തെ കടക്കാരന്മാർക്കുള്ള സ്വത്തുക്കൾ സർവ്വും അന്യനാട്ടിൽനിന്നും ഇവിടെ വന്നിരിക്കുന്ന ബാങ്ക് ഓഹരി ഉടമസ്ഥന്മാർക്ക് വളരെ വേഗത്തിൽ അവകാശപ്പെടുകയും ലഭിക്കുകയും ചെയ്തക്ക ഒരു നില ഉണ്ടാകുന്നു എന്നുള്ളതിന് സംശയമില്ല. അതു വളരെ ഭയാനകമായ ഒരു സംഗതിയായിരിക്കും. 'അതുകൊണ്ട്, എനിക്ക് പറയുവാനുള്ളത്, കർഷകരേയും വ്യവസായികളേയും സഹായിക്കുവാനാണ് ഇങ്ങനെ ഈ ബാങ്ക് സ്ഥാപിക്കുവാൻ പോകുന്നത് എന്നു പറയുന്നതിൽ വല്ല നേരുമുണ്ടെങ്കിൽ, ഞാൻ ഇപ്പോൾ ഇവിടെ അവതരിപ്പിച്ചിരിക്കുന്ന ഈ ഉപവകുപ്പിനെ ഈ സഭ അംഗീകരിക്കണം എന്നു മാത്രമാണ്.

**MR. KAYALAM PARAMESVARAN PILLAI**: I oppose this amendment. As the amendment now stands it is a proviso to Clause 23. It lays down that on default of the payment of the instalments the amounts must be recovered under the Revenue Recovery Regulation. Mr. Kunju wants a proviso to be added that only the particular instalments that have been defaulted should be recovered. Now I ask the question what about the other instalments? Are they to be given up by the Bank or are they to be recovered by civil suit? Mr. Kunju does not provide for the recovery of the balance. Apparently he wants the balance to be given up by the Bank. It is an unreasonable proposition and cannot be accepted.

The amendment was put to vote and lost.

The question that Clause 23 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**MR. K. NARAYANAPERUMAL NADAR**: I beg to move that Clause 24 may be deleted. Clause 24 reads thus :—

> "Our Government may, subject to such conditions and limitations as may be imposed by Rules made by them, confer on any officer of the Bank, or any other person, the powers of a Division Peishkar or other officer under the Revenue Recovery Regulation I of 1068, for the purposes of the recovery of the amounts recoverable under Section 23."

Sir, this Section is the most dangerous part of the Bill. If this Section finds a place in our Statute it will act as a menace to public safety. There is already no public safety. We have heard even of Inspectors

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assaulting responsible persons. So it is dangerous to give such powers for the recovery of dues. There is enough provision under Section 23 for the recovery of the dues. Therefore there is no necessity to introduce Section 24. Section 24 says "Our Government may.....confer on any officer of the Bank, or any other person, the powers of a Division Peishkar.....". "Any officer of the Bank" he may be a clerk, a peon or some other officer. The responsibility of the person is not defined. He may be a pucca K. D. as the one that assaulted Messrs Madhava Varier and Muthalali. I do not think it is right to give this power to *any officer* of the Bank. Therefore, I commend to the House for the deletion of Clause 24.

**MR T. M. VARUGHESE**: I support the amendment of Mr. Narayanaperumal Nadar for the deletion of Clause 24.

**MR. K. T. THOMAS**: The provision contained in Clause 24 is to the effect that it shall be within the discretion of the Government to confer on any officer of the Bank, or any other person, the powers of a Division Peishkar or other officer under the Revenue Recovery Regulation I of 1068, for the purposes of recovery of the amounts recoverable under Section 23. The conferment of the power on the Bank to realise amounts due to them by way of Revenue Recovery processes, is itself a power very wide. In the exercise of the power so conferred Section 24 seems to lay down that authority may be conferred on any person, be he a person who may, after the exercise of the power be, not subject to the disciplinary control of the Government or not. The provision is that it may be an officer of the Bank or on *any other* person. Even under the Revenue Recovery Regulation the powers necessary for setting the Law in motion may be exercised by the Dewan Peishkar or Proverthicar or any other person empowered by our Government in that behalf. That appears to be the provision in the Revenue Recovery Regulation. So if Section 24 as it stands now, is allowed to remain, probably the power to confer these powers on any person may be argued to exist all the same. But I am against an express sanction to being given by the Legislature to confer those powers on any person whether he be an officer of the Bank or any other person to place a distraint on the property and sell property under Revenue Recovery Regulation. Therefore I support the amendment that Section 24 be deleted.

**MR. A. THANU PILLAI**: May I also make my position clear?

**PRESIDENT**: There are motions for the deletion of the whole clause in which case Clause 23 will operate on the basis that the Bank sends over all these matters to the various Division Peishkars for action. Section 24 says that certain other officers shall be appointed. If the power is not to be exercised at all, excepting under the operation of Clause 23 and the Revenue Recovery Regulation as they now stand, then the object sought by Messrs. Narayanaperumal Nadar, Varughese and Thomas will be satisfied. Mr. Thanu Pillai advocates an intermediate step. What he asks is that our officers may co-operate in this matter. I have no objection to allow that to be done provided all those who have asked for a complete deletion have had their say. I will ask the Law Member to make some remarks and then I will call upon Mr. Thanu Pillai.



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MR. K. P. KOCHUKORA THARAKAN : ഈ വകുപ്പ് ഈ ബില്ലിൽ നിന്ന് നീക്കംചെയ്യണം എന്നുള്ളതാണ് എന്റേയും അഭിപ്രായം. അതിനെപ്പറ്റി മറുമൊഴിവാദമാർ പറഞ്ഞതിൽ കൂടുതലായൊന്നും എനിക്കു പറയുവാനില്ല. എന്നാൽ വസ്തു വിൽക്കുക മുതലായ കാര്യങ്ങളും ചുമതലാബോധമില്ലാത്ത ആരെ എങ്കിലും ഏല്പിക്കുക എന്നുള്ളതു ശരിക്കും ശരിയായ ഒരു നടപടിയല്ല. അതു ജനങ്ങൾക്ക് വളരെ സങ്കടകരമായ ഒന്നാണെന്നുമാത്രമല്ല ഈ ബാങ്കിൽനിന്നു കടമെടുക്കുന്നവരെ കാര്യമായും സാരമായും സ്പർശിക്കുന്നതും അവക്കു അപരിഹാരമായ നഷ്ടങ്ങൾക്കു ഇടവരുത്തുന്നതും ആകയാൽ ഈ വകുപ്പ് തീർച്ചയായും എടുത്തുകളയേണ്ടതാണ്.

MR. KAYALAM PARAMESVARAN PILLAI: Sir, I understand that there is in the House a considerable feeling that it is not right that an officer of the Bank who is practically the creditor should be invested with the powers of recovering the dues. That is no doubt a matter that has to be considered by this House. But I must point out that if that power is to be conferred on any Government officer then the Bank will complain that that officer is not doing his work properly. Such complaints may arise and it is because of that this power is sought to be conferred on an officer of the Bank. If the officer the Bank is subject to the control of the Bank then the Bank cannot complain that he is not doing his work expeditiously or efficiently. He is their own officer and the Bank will see to it that he does the work all right. If however the House thinks that it is wrong in principle that an officer of the Bank, who is the real creditor, should be entrusted with the powers of Recovery, my suggestion would be this. An officer of Government may be specially appointed for the purpose and he may be attached to the Bank. He will not have to do any other work and the Bank will be responsible for the due recovery of dues and they would not be heard, say, that the Recovering Officer is trying criminal cases or attending to pokkuvaravu cases and so on. If the House is of opinion that such a provision may be made, then I am prepared to yield and agree that the powers may be conferred only on any officer of Government or any person specially appointed for this purpose.

MR. K. T. THOMAS: Should there be a statutory provision because all these matters are within the control of the Government?

MR. KAYALAM PARAMESVARAN PILLAI: A statutory provision is not necessary for conferring such a power on a Government officer. But if a special officer is to be created I think I should mention it to the House. It is better that the House votes for the provision so that the Government may have added authority in creating a special officer attached to the Bank. Therefore I would ask the House to consider whether they will confer the power on an officer of the Bank or on an officer of Government specially appointed for the purpose. I am prepared to accept the latter course. But if the House is not prepared to accept this, then I should oppose the present amendment.

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**MR. A. THANU PILLAI**: I beg to move that for the words "on any officer of the Bank, or any other person" the words "any officer of Our Government" be substituted. The Clause as amended will read thus:—

"Our Government may, subject to such conditions and limitations as may be imposed by Rules, made by them, confer on any officer of Our Government, the powers of a Division Peishkar or other officer under the Revenue Recovery Regulation I of 1068, for the purposes of the recovery of the amounts recoverable under Section 23."

**MR. KAYALAM PARAMESVARAN PILLAI**: Does Mr. Thanu Pillai object to the following:—

"On any officer of Government or any person appointed as an officer of Government"?

**MR. A. THANU PILLAI**: I do not see any distinction between the two kinds of officers. I do not really object to an officer being appointed for this purpose provided it is seen that the existing officers who exercise such powers are not able to cope with the work.

I believe any person appointed as an officer of Government becomes an officer of Government as soon as he is appointed. Therefore the amendment, as I have worded it, will serve the object of the Law Member as well. Only, the officer who does this work, must be like any other officer, having all the rights and privileges attaching to Government service. The amendment suggested by the Law Member is unnecessary. I move my amendment for the acceptance of the House.

**MR. T. P. VELAYUDHAN PILLAI**: I wish to know whether Mr. Thanu Pillai has accepted this amendment made by the Law Member.

**PRESIDENT**: He has not accepted.

**MR. T. P. VELAYUDHAN PILLAI**: Sir, I beg to move that in Clause 24, in lines 3 and 4 the words "the Bank or any other person" may be deleted and the words "of Government appointed in this behalf" may be substituted. My amendment if accepted, Clause 24 will read thus:

"Our Government may, subject to such conditions and limitations as may be imposed by Rules made by them, confer on any officer of Government appointed in this behalf, the powers of a Division Peishkar or other officer under the Revenue Recovery Regulation I of 1068, for the purposes of the recovery of the amounts recoverable under Section 23."

My position is that the powers of recovery of any amount as arrears of public revenue should be exercised only by officers appointed by Government. And the real question is whether we should empower the plaintiff himself to pass a decree and sign judgment against the defendent as he likes. That is the main principle we are going to have if we accept the provision as it is. We should also bear in mind the effect of the provision contained in Clause 25 which runs as follows:

"It shall be competent to the Bank to purchase any property sold under the authority conferred by Section 23".

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This is tantamount to purchasing the property of the debtors by the creditor himself by statutory authority. This is very dangerous. With these words I commend my amendment for the acceptance of the House.

**MR. M. KESAVA PANICKAR :** I support the amendment of Mr. A. Thanu Pillai. I have tabled a similar amendment. The Clause confers powers on an officer of the Bank to recover its dues by recourse to the Revenue Recovery Regulation. But the officer so appointed must be a disinterested person. The Bank may themselves purchase the property sold for debts due to the Bank. Therefore the officer of the Bank will not necessarily be a disinterested person. Hence I suggest that an officer of the Government should be conferred with the powers of a Division Peishkar for the recovery of the dues of the Bank. With these words I support the amendment of Mr. Thanu Pillai.

**MR. E. SUBRAMONY AIYAR :** Sir, the suggestion of the Law Member seems to be that a special officer is to be appointed and he will exercise the powers under the Revenue Recovery Regulation. I should like to know whether a Special Officer alone is sufficient for this purpose. Before the property is attached under the Revenue Recovery Regulation so many preliminaries have to be gone through. For this purpose a staff and a separate establishment is required as is the case with the Land Revenue Department. There, to look after this work, there is the Peishkar, and under him the Tahsildar, the Proverthikar and other subordinate officers. Is it the suggestion of the Honourable Law Member that a special Officer will be appointed and he will be given a separate establishment with an adequate staff? If that is so, I have no objection to it.

**MR. P. KUNJUKRISHNAN:** Sir, I support the amendment. The powers conferred on the officer of the Bank who may be appointed for this purpose are highly extensive. The powers under the Revenue Recovery Regulation are in themselves to be exercised as far as possible very sparingly. And to delegate such extensive powers without proper precaution to a Bank, is a highly dangerous step. And it is doubtful whether the officer of the Bank would use this power with due discretion. The Bank in most cases will be the creditor and for the purpose of meeting out justice between debtors and creditors, to provide one party with an additional and dangerous weapon is against law and equity. To avoid this, this power should be vested in the hands of a Government officer who is interested in neither party. This will also avoid much complaints from the parties concerned. Therefore, especially in view of the subsequent Section, *i. e.*, Section 25 this amendment must be incorporated. With these words, I support this amendment.

**MR. M. G. MATHEW :** Sir, I also support the amendment of Mr. Thanu Pillai. The sales held by Revenue Recovery Regulation are valid and they could not be impeached in a civil court when the provisions under the Regulation are satisfactorily complied with. The

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Revenue authorities alone can set them aside and the officer who is empowered to do so, under the Regulation. A party sometimes gets remedy for his grievances if his property is attached sold by irregular proceedings. If the Bank is given the absolute power to exercise the powers under the Revenue Recovery Regulation they will be in most cases try to attach the property without any sympathy to the party concerned and if they confirm the sail, the civil courts will be helpless to relieve the aggrieved man. Therefore this provision should engage the serious attention of the honourable members of this House and they must see that the amendment is incorporated in the provision. Hence I support the amendment before the House.

**MR. C. JEBAMONY NADAR**: Sir, I would support the amendments Nos. 23 to 26 for deleting the clause. If the House would accept this amendment the subsequent amendments under this clause do not arise. As to the suggestion made by the Law Member, I would state that the difficulty would be practically more if one officer is appointed and entrusted with this work, covering the whole State. The present work is done by the Revenue Department by the Tahsildars and their subordinates. Therefore the appointment of one officer for this purpose would not improve matters. Moreover the power which is sought to be invested on this proposed officer is, as some Honourable Members remarked a dangerous one. Now sales of properties are proceeded with by the Revenue officers and some discretionary clemancy is shown towards the parties concerned in the matter of postponment of sales. But in the case of an officer of the Bank he may not have so much of sympathy. Again in the Regulation we find a provision according to which a petition may be presented to the Division Peishkar to set aside the sale conducted by a Tahsildar on grounds of irregularity of fraud. Now if an officer of the Bank is invested with that power there would not be any authority above him, to whom a person can approach with his grievances if any. There may be fraud or irregularities in the sale proceedings. But the man will go unredressed. As matters stand at present, under the Regulation, if the officer who exercises the powers under the Regulation commit some irregularities the matter can be referred to the Division Peishkar and the party can get some relief thereby. In view of these facts the new provision as it is, is opposed to all principles of justice equity. In any case the same officer starting, conducting and terminating the proceedings for the sale of property and himself becoming the purchaser as is provided under the next clause cannot be upheld by any jurisprudence With these words I support the amendment for deleting the clause.

**MR. KAYALAM PARAMESVARAN PILLAI**: Sir, the first question that arises in this debate is whether the powers under the Revenue Recovery Regulation may be conferred on any officer of the Bank. I have already stated that that proposal was made in the Bill in the interest of expeditious work. I am quite prepared however to leave it entirely in the hands of the House; Government will be neutral on this question.

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In regard to the proposal that the powers under the Revenue Recovery Regulation should be exercised, by the officers of the Government it may be practicable in the initial stages when there may not be many defaults. But, later on, when large amounts have to be recovered, when steps may have to be taken against a large number of persons, the officers of the Government may not find time to do it, since they have other work to do.

**MR. A. THANU PILLAI:** Will not the officer appointed for this specific purpose be a full-time officer of Government just like every other officer?

**MR. KAYALAM PARAMESVARAN PILLAI:** He will be. I am only placing all my cards on the table, and taking the House into confidence. I am suggesting that, if the work increases, some one like a special sales officer may have to be appointed solely to recover the arrears due to the Bank. That may become necessary when work increases.

**MR. E. P. VARGHESE:** Will he be an officer of the Bank?

**MR. KAYALAM PARAMESVARAN PILLAI:** No, he will be attached to the Bank, with only this work of recovery to do.

**MR. A THANU PILLAI:** Will such officer be subject to the disciplinary control of the Government, and will he enjoy all the privileges just like every other officer of the Government?

**MR. KAYALAM PARAMESVARAN PILLAI:** Yes, entirely. He will have no interest in the Bank.

**MR. KOTTALIL P. ABRAHAM:** Who will pay him?

**MR. KAYALAM PARAMESVARAN PILLAI:** Mr. Abraham has rightly put that question. Perhaps, Government may have to enter into negotiations with the Bank and ask them to pay. I do want the House to consider that question, when they vote. That is why I said that later, it may become necessary to have a special officer, and the Bank may have to pay for it.

In regard to the point raised by Mr. E. Subramania Aiyar, I think the ordinary rule of interpretation is that the singular includes plural so that it is not quite necessary to put in the word 'officers'. But, in view to his suggestion and since we are *making* a statute, I would word my amendment as follows.

"Our Government may.....confer on any officer *or officers* of Our Government or on any officer *or officers* of Our Government appointed in this behalf...."

**MR. A. THANU PILLAI:** Where is the necessity for the words 'or officers'?

**MR. KAYALAM PARAMESVARAN PILLAI:** I put it merely because of the criticism made by Mr. E. Subramonia Aiyar, and of the fact that we are constructing a statue. There is no doubt that the ordinary construction is that the singular includes plural.

**PRESIDENT:** I think it would conduce to convenience, in view to the discussion, if I put the amendment for the delition of the clause, first; and then I will put the amendment moved by the Law Member.

The question that clause 24 be deleted was put to vote and lost.

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The amendment that, in clause 24, after the word 'confer' in line 3, and before the words 'the powers of a Division Peishkar' in line 4, the expression *'on any officer or officers of Our Government or on any officer or officers of Our Goverument appointed in this behalf'*, be inserted was put to vote and carried.

The question that clause 24, *as amended*, do form part of the Bill was put to vote and carried.

The clause as amended was added to the Bill.

**Clause 25.**

**MR. K. T. THOMAS**: Sir, I may say that I am prepared to accept the amendment, No. 32, standing in the name of my friend Mr. Thanu Pillai.

**PRESIDENT**: The honourable member can wait till he moves it.

**MR. A. THANU PILLAI**: Sir I beg to move the following amendment.—

"In clause 25, add at the end, 'provided that the property so purchased shall not be held by the Bank for any period longer than is actually required for reselling it and realising its value."

The object of the amendment is to see that the Bank does not take interest in acquiring property. Sir, the object of this Bank is to help agriculturists. If a person who has taken a loan from the Bank is not able to repay, no doubt his property will have to be sold. But that does not mean that the Bank should be allowed to purchase it and hold it as its own property. No doubt there may be cases where, in the absence of buyers, the Bank may have to purchase the property. But, consistently with the object with which this Bank is established, the property should go back to some agriculturist and the bank should not be allowed to hold the property except so long as it is necessary for the Bank to sell the property and to realise its value.

**PRESIDENT**: Of course, the object of the Bank is a matter on which there cannot be any difference of opinion. But how will the statutory provision now suggested by the honourable member bring about the results which the honourable member has in view? How is it to be enforced? Will the honourable member please elucidate that?

**MR. A. THANU PILLAI**: It may be necessary to make some more subsidiary provisions in the statute.

**PRESIDENT**: Let me make myself clear. I am deeply alive to the point made by my friend But, supposing the principle is accepted, and supposing for instance, on account of agricultural slump or some other reason, lands do not fetch even half of their value, what is to be done? Who is to enforce this provision? How is that to be done?

**MR. A. THANU PILLAI**: The necessity for the Bank itself to purchase property will arise when there is no purchaser offering reasonable price.....

**PRESIDENT**: Or, there is combination.

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MR. A. THANU PILLAI: Yes, Sir. But, the situation may change. The Bank shall put it to auction or sell by negotiation when it is likely that buyers may come forward offering reasonable value for the property. I do not suggest that the Bank should dispose of the property which it is forced to buy for the smallest price offered. But it should be compelled to sell when a reasonable price is offered. When a statutory provision like the one I now suggest is made, it may be expected that the Board will do its best to act up to such provision. And, if the House accepts this provision, further provisions may be made in the Regulations to ensure its enforcement.

MR. K. T. THOMAS: I support the amendment. I believe there will not be two opinions on the principle that this concern shall not at any time and in any case be a land-holding concern. Beyond that, the question put from the Chair will necessarily arise, namely, as to how this provision can be enforced. In answer to that, the utmost that can be now said by me is that by regulations it shall be provided for. Let us suppose, for instance, that, a property is purchased under the Revenue Recovery Regulation by this Bank. It may fairly be presumed that the debtor will allow his property to be sold for debt only in the ultimate event of his utter inability to pay. It may also be presumed that the amount advanced on the property will certainly be not more than a percentage of the market value of the property on the date it is accepted as security for the loan. Therefore it may also be presumed that, when it is sold in auction for the debt due, it would have been sold for only a portion of its real worth, and purchased by the Bank for only a portion of the amount which it was expected, even at the inception of the contract it would really be worth. It is possible that, even soon after such sale and purchase by the Bank, conditions may change; and the debtor himself may be able to find funds to pay off the debt due to the Bank in order to get back the property sold. It is possible that the debtor himself might on a later occasion take back the property after paying the Bank all the amounts outstanding. It is possible that he might be able to find someone to take the property from the Bank after paying all the amounts due, with an undertaking to the debtor that he will part with the land on getting the balance due on the land either in instalment or after an interval of time. It is possible that also the Bank will be able to find a purchaser and by selling it will be able to realise an amount more than is due to the Bank. Under the Revenue Recovery Regulation if processes are enforced it necessarily means that if the property fetches anything more than the arrears due to Government, the proceeds of the sale over and above the amount due as arrears should go to the owner of the property. Therefore, my answer to the question from the Chair would merely be that by Regulation it shall be provided that it shall not be competent for the Bank to hold property purchased in auction for any period longer than is necessary to obtain a sale of it for its real value and it shall not be possible for the Bank to become at any time a land holding concern and say we are that because it is impossible for us to avoid it.

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**MR. V. K. VELAYUDHAN** : I support the principle underlying the motion before the House, that the Bank should never be a land-holding concern. But I too apprehend that in practice this amendment, if carried, may cause hardship to the Bank. Take for instance that the Bank is compelled to purchase a property worth really Rs. 3000 for an amount of Rs. 5,000 due to the Bank. In a particular case the land mortgaged to the Bank may have gone down in value and the Bank may not be in a position to realise all the amount from the land available for auction. In that case my fear is that, if this amendment is carried the Bank will be compelled to sell the property for a lesser amount than is due to it. The Bank will not be enabled to hold the property for a period longer than is absolutely necessary for reselling it. My position is—should we not give the Bank power to hold the property for any length of time so that the Bank may be in a position to re-sell it for a better price? In certain cases, if the Bank is allowed to hold the property for a sufficient length of time, the value of the land may increase and the Bank may realise the whole amount due to it by selling the property at a subsequent time. Therefore, under such circumstance, the Bank will be put to loss if this amendment is carried by this House.

**MR. A. THANU PILLAI** : Does the Member realise that this amendment is to the effect that the Bank shall not hold property for any period longer than is required for re-selling it and realising its value? The Bank is bound to sell only when proper value can be got.

**MR. V. K. VELAYUDHAN** : I think I have sufficiently explained myself. According to the motion the land should be sold for its present value. My case is that at the time the Bank has purchased it, its value, as in the example I have stated, may be worth only Rs. 3,000, but a sum of Rs. 5,000 may be due to the Bank. My position is—should not the Bank wait for a reasonable length of time when it may reasonably expect to recover the whole amount due to it. Should we not give the Bank such an opportunity? With these words I support the principle of the amendment.

**MR. M. G. MATHEW** : I support the principle of the amendment that the Bank should not be purchasing property. It may give an inducement to the Bank to hold property for any time it likes, it may induce the Bank to purchase the property at a much lower price than it will fetch in the open market, and to hold it without any atempt to sell it. Again it may make a business of purchasing property at a much lower price and selling at for a higher price. It is a very salutary principle that the Bank should not be a land-holding bank andit has got to be accepted. As for Mr. Velayudhan's objection, I feel that it is not well founded. Provisions may be made in the rules of the Bank to make sales of property once in every month or once in two months, at which properties may be put up for sale and rules may be made to the effect that in case the properties fetch the price that has been paid by the Bank with the necessary interest or commission as may be desirable or necessary the Bank should really sell the property to the



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[Mr. M. G. Mathew.]

intending purchaser at the time of auction. In case nobody is coming for purchase of the property, then it means that there has not been time or occasion for the Bank to sell the different properties and realise the amount and the Bank will not be put to any difficulty or trouble and nobody will take the Bank to task for that. So any provision or rule may be made to sell off these properties by publishing the details of the sale in some of the newspapers. Then purchasers may be coming in any number and if any purchaser offers the price that has been paid by the Bank with the necessary commission etc., I think the difficulty of Mr. Velayudhan would clearly be removed. Unless this provision is made in the Bill itself there will be no compulsion on the Bank to sell off the properties purchased by them at prices lower than they might have fetched in the open market. It may be perhaps that other people had not the money to purchase at the time the Bank purchased the properties.

With these remarks I heartly support the amendment.

**MR. E. SUBRAMONIA AIYAR**: I too wish to make a few observations. It will be much better if it had been provided that it shall not be competent for the Bank to purchase any property. But once you allow the Bank to purchase property, then difficulties arise. No Bank will desire to be a land holding concern. If the Bank purchases land certainly it must take possession of the land. Consciously and deliberately the Bank is not going to purchase land unless it is compelled to do so and if it purchases land the probability is that it will re-sell it at the earliest possible moment. Once the Bank purchases land and so many lands come to it, the practical difficulties in cultivating the lands and leasing them out arise. So, we may surely rest assured that the Board of directors will be persons who know something about this and certainly they will see as far as possible that the Bank does not become a land holder. If by force of sheer necessity the Bank has to purchase lands to realise dues the endeavour of the Bank should be to see that these lands get out of its hand as early as possible. But for such a purpose will this amendment be of any use? Provided that the property so purchased shall not be held by the Bank for any period—no certain period, six months or one year or two years—longer than is actually required for re-selling it and realising its value. Who is to decide the period that is actually required? Suppose the Board says that they are not holding the property for any period longer than is actually required to re-sell it. You are again leaving it to the discretion of the board. So there is a pious request before the Directors for the time being. Do not keep the land for more time than is actually necessary to convert it into rupees, annas and pies. That is not necessary. Suppose they do not want to sell the land. What is the provision against it? There may be a share holders meeting. If the directors do not sell their properties the debtor may bring it to the notice of the share holders and at a meeting of the share-holders the directors may be taken to task. So when you actually enact a provision, no doubt we may like to introduce therein as many good principles as we may require, the provision must be difinite, it must be practicable and

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it must be enforceable. My suggestion therefore is that so far as this amendment goes it is most impracticable because practically as I said it is a request to the board of directors to sell the property at an early date. But these are the legislative difficulties in the matter. With these words I oppose the amendment.

I would have most whole-heartedly supported the amendment if it were to the effect that it shall not be competent for the Bank to purchase any land. Once you say that it is competent for the Bank to purchase land is it not proper that the House leaves it to the good sense of the board as business men to determine for themselves when and for what money the property should be sold.

**MR. J. E. A. PEREIRA**: Sir, I oppose the amendment from the business point of view. I shall explain it. There is the fear that the Bank will become a land-holding bank. This position will not happen for the mere reason that the Bank would like to have its money as liquid as possible. Suppose it goes on purchasing land. In course of time it will clog the working of the Bank and the rotation of capital. So in the very nature of banking business it will be on the look out to sell the property as early as possible so that there may be rotation of capital. Otherwise it will interfere with the working of the Bank and will clog the rotation of capital.

**MR. S. KRISHNA AIYAR**: I should like to refer to two or three practical difficulties that have arisen in the course of the working of similar institutions. I refer to three cases wherein the Imperial Bank has had to purchase properties. In one case the Imperial Bank had to hold on to the property for a period of three and a half years. In another case it had to take over property, plant the property afresh and wait till the property began to yield for reselling it. In another case the Imperial Bank had to hold on to the property for six and a half years. Would Mr. Thanu Pillai regard that as reasonable? I would suggest to the House that no hard and fast rule can be laid down in this matter. It may left to the Government and the board of directors.

**MR. KAYALAM PARAMESVARAN PILLAI**: Sir, I oppose the amendment as it is, but I quite agree with the principle enunciated by those who spoke in support of the amendment. I agree that the Bank should not be a land-holding corporation. It is not one of the businesses of the Bank to hold lands and make profit out of them. But the amendment as proposed will not carry us anywhere. The circumstances under which the bank may be compelled to sell land are not capable of definition and therefore any statutory provision that may be devised will fail to achieve its purpose. If we construe the amendment strictly it may mean that the bank must sell within a definite time. Then the bank may not get proper at all. It is not intended that the bank should be a land holding corporation and the bill gives the suggestion that it is one of the permissible items of its business to sell and realise all property whether moveable or immovable which may come into the possession of the bank. (*Vide* clause 5 of schedule I). So then, the bank will sell the land and will not keep it in its possession. I trust that Mr. Thanu Pillai will be content with this provision and will withdraw the amendment.

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**PRESIDENT:** Before the amendment is put to vote, I wish to say a few words. It may be noticed from the preamble that the Bank is constituted for the purpose, among other things, of granting long term loans with a view to benefiit agriculture and industry in Travancore. That and the Statement of Objects and Reasons make it perfectly clear that it is not the object of the Bank to become a land-holding corporation. As pointed out already, there are practical difficulties in enforcing any obligation which is a pious aspiration and hope. With these remarks, I put the amendment to the vote.

The amendment was put and lost.

The question that clause 25 do stand part of the bill was then put and carried. The clause was added to the Bill.

**New Clause.**

**MR. K. T. THOMAS:** Sir, I move that the following be added as clause 26 at the end of Chapter VI:

*In the case of loans on the security of immovable property, neither the person of the debtor nor any property other than that given as security shall be liable for such debt.*

**PRESIDENT:** Does the hon'ble member mean even in case of mortgages which contain provisions in respect of personal liability it should not be enforced.

**MR. K. T. THOMAS:** As for that question, if my amendment is accepted by this House, it necessarily would follow that there cannot be that condition in the mortgage. Because if it is statutorily provided that the person of the debtor and his other assets are not liable for the debts, it must necessarily follow that a covenant to the contrary cannot be taken by the bank from the debtor. It is on that assumption that I move for the addition of clause 26.

The Bank is invested with the power of resorting to revenue recovery processes for the realisation of all amounts due to it by way of outstanding loans and advances. Under the Revenue Recovery Regulation not only the properties charged are liable but all the properties in his possession are liable. These properties may also be proceeded against for realisation of arrears. Any property held by the defaulter, movable or immovable, may be proceeded against, provided it is in the name of the registered holder irrespective of the fact that the arrears of tax are not due specifically on that item of property. It is therefore as a safeguard or as a limitation of the power of exercising the rights vested under the Revenue Recovery Regulation which have already been conferred on the Bank that I move this amendment. For this reason it won't be very startling to expect that when the bank accepts a mortgage on a property the bank is convinced at least at that time that the loan advanced by it on the security of the mortgage represents only a fraction of the value of the property. Any payment made by the debtor after the mortgage must enhance the value of the security with definite advantage to the Bank. Necessarily therefore it follows that by

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the lapse of time the security may not be sold for a lesser amount on a later date. I am only anxious that in the event of such sales the debt should be wiped off. Supposing I took a loan from the bank of Rs. 1,000 pledging as security property worth Rs. 2,000. It is possible that the board may require a security of a higher value. It is also possible that the board may say that it will advance Rs. 1,000 only on properties worth Rs. 2,500 or Rs. 3,000. Whatever that be, the property at the time of taking of the loan is worth much more than the amount advanced. So that even if the property happens to be sold at the time of the first instalment, the Bank must be compelled to go by their own valuation. This will entail on the Bank the duty to be careful in their valuation. It shall not lie in the mouth of the bank to say later on that the security is not worth the amount advanced. Therefore the relief that is sought to be proposed by this amendment is that the property is not sold for anything less than the outstanding on the property. That is to say the selling of the property must lead to the wiping off of the debt. With these observations, I move the amendment.

**MR. K. P. KOCHUKORA THARAKAN:** I second it.

**MR. S. CHATTANATHA KARAYALAR:** Sir, I rise to oppose the amendment. I can understand the anxiety of the honourable member who moved the amendment that the person of the debtor and property other than that given as security should be released from obligation to pay off the debt contracted. But it must be obvious to everybody who has had anything to do with banking operations that bankers are to a very great extent influenced by the personal security of the contracting debtor in sanctioning loans and advances. So it necessarily follows from this consideration that in making valuations of property, if this amendment is incorporated in the Bill either the Bank will be tempted to value the property at a much lower price than it would otherwise do or it will be tempted to advance money to a lesser extent than it would ordinarily advance. In either case it will be detrimental to the parties. In the interests of the parties themselves, I would oppose the amendment moved by Mr. Thomas.

**MR. E. SUBRAMANYA AIYAR:** Sir, this amendment should be understood (not heard) in the light of the powers given to the Bank. Schedule I says that the Bank is authorised to carry on (1) the advancing and lending of money on the first mortgage of immovable property as primary security, and (2) the advancing and lending of money on the first mortgage of immovable property or on the security of machinery or Government securities or other securities approved by our Government for this purpose. So the Bank is given two kinds of powers. It may sometimes advance money on Government securities or other securities. The amendment proposed does not touch this kind of loans. The amendment emphasises only monies advanced on immoveable property as primary security. If any other property or security is given, that will certainly be answerable for it. The amendment suggests that invariably monies should be advanced on the security of immovable property as a primary security.

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[Mr. E. Subramonia Aiyar.]

Personal credit should not influence the Bank one way or the other because this is a bank brought up into existence for a special purpose of advancing long-term loans. The term is not specified and I take it that it is not less than 30 years. By so doing, certainly the idea is to relieve the agriculturists. Therefore the money should be paid not based on the personal consideration of the debtor, but must be advanced on the security of immovable property. Sometimes if it happens that money is to be given on special consideration, then probably the Board may not look into the matter as well as they ought to. If it is a case of helping the cause of real agriculturists, we should not be carried away by the fact that he will pay back the loan from other sources.

**MR. A. THANU PILLAI:** May I ask one question. Suppose one Board over-estimates the value of the security either by mistake or deliberately. Should the Bank also suffer on that score?

**MR. E. SUBRAMONIA AIYAR:** Now it is stated in one of the provisions of the Bill that if the value of properties is under-estimated by reason of negligence and want of care, the board of directors must be called upon to pay for the loss incurred by the Bank.

**PRESIDENT:** The tendency is not generally of under-estimation.

**MR. E. SUBRAMONIA AIYAR:** That apart, Sir, even in advancing money on immovable property, the value of the property alone should not be tested. The Bank should see whether a portion of the capital could be got repaid out of the income of the property. It has to see whether the income from the property that is put as security is sufficient to pay off some portion of the principal as well as interest. In such a case, any amount of care bestowed by the Bank will not be out of place. Therefore I submit to the House that personal credit must be left out of account. It is inconsistent.

Now it was stated that in respect of usufrucatory mortgages, the property can be proceeded against for the realisation of balance of loans or something of the kind. In the case of simple mortgages, the same is not the case. In British India, if a decree is obtained, and the property security is not adequate for realisation of a loan, then the personal credit can be proceeded against. In Travancore, the case is otherwise. In British India, 6 years is a limitation bar. Here the personal credit stands barred up to 12 years. Here again there is a long-term loan? How long is the personal security to subsist? So when this Bank advances money on long-term policy, certainly up to 30 years the security will remain intact and no personal remedy could be had. The principle suggested in Mr. Thomas's amendment is a salutary one which will facilitate the smooth working of the Bank. Hence I support the amendment.

**MR. PUTHUPALLI S. KRISHNA PILLAI:** Sir, I oppose the amendment. The paramount idea contained in some of the speeches of honourable members who supported the amendment appears to me to be this, namely, that the debtors want to be helped. But, it does not

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matter whether it is at the expense of the Bank. I can understand all the sympathy which was expounded here so far as a debtor is concerned. I am of course, at one with them in supporting every sympathetic action so far as a debtor is concerned. But I am not prepared to accept the suggestion that the sympathy must go still further and be exercised to the extent of sacrificing funds belonging to the Bank. Here is an institution which is brought into existance with Government money, people's money and even private funds. Here is an institution to advance loans which, under normal circumstances becomes recoverable only during the course of 30 years or as has been suggested here even more. To begin with, we have to consider persons who are unwilling to discharge their obligations and who, out of neglect, become unable to pay their debts. In regard to the second class of cases, suppose some paddy lands are taken as security for the amounts due to the bank. Suppose the debtor who is in possession of the property- -it is not as Mr. Subramonia Aiyar pointed out a usufructory mortgage—neglects to take proper care of the property. Naturally, it deteriorates in value either owing to wilful default or negligence. Or let us consider a concrete instance where owing to the owner's want of care a portion of the secured premises is washed away by floods. What is the Bank to do under the circumstances? Is it to write off that portion of the debts which would have been capable of realisation if the concerned debtor had only been watchful? Was not the debtor in possession of his property? If such were the circumstances, I cannot understand why the Bank should be made to suffer for wilful neglect of the debtor concerned.

Take again the cases of minor frauds committed by the debtors. It was suggested here that the bank should be very cautious in estimating the value of the properties. In respect of the Bank that is to be brought into existence, provisions of the Statute do not appear to have been made immune against frauds that will be done by the debtor-folk. I do not say by this that every person who is entering into a transaction with the Bank will be guilty of fraud. Far from it. Anyway we have to provide against such possible contingencies. There may arise certain sets of circumstances by which it may not be possible for the Bank to form a correct estimate of the properties. Mr. Subramonia Aiyar certainly pointed out the provisions whereby the Directors are made responsible for all losses arising from neglect on their part. I agree with that. But in the case of minor frauds which do not come within the provisions of the Penal Code, what is the remedy for banks. Is the bank to give away its money because it has come forward to help the debtor.

Sir, the amendment now before the House appears to cover only one class of debtors. For that reason it has not been objected to. The amendment appears to favour the agricultural debtors, I mean the debtors who borrow money on the security of their property. I myself am unable to understand the full significance of the amendment. If he is a debtor who has other properties, I do not understand why his other properties should not be made liable for complete realisation of

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[Mr. Puthupalli S. Krishna Pillai.]

debts due to the Bank. Why should it be suggested that the Bank should rest content within the only security offered to the bank for realisation of loan? One has to remember that the debtor has borrowed money from the bank, which debt is stipulated to be paid in instalment basis. I for myself am unable to see why the debtor should grudge the exercise of the privilege by the bank for realising its debts in full from the other properties of the debtor. If he is a pauper and he has only the properties that have been mortgaged then there is some substance in saying that the realisation of debts should be limited to the security already offered. There is provision for it in law. If the debtor is an agriculturist then the provisions of the Revenue Recovery Regulation and the Civil Procedure Code exempt him from arrest. Some of his moveables also are exempt from arrest. If he is a person who owns other properties besides the one given as security which is found insufficient to make good the loan then, why the debtor should not be made to pay from his other properties? There may be cases of debtors where, if the proceedings are to be taken under the Revenue Recovery Regulation, the person would be safe. There is no provision for imprisoning a debtor for default in payment. Therefore his person will be safe.

Again, for instance the properties belonging to him just before the date of default or are sold away or perhaps reinvested in the name of his wife or cousin or so forth then why should not the law be enabled to proceed against these properties for the liquidation of overdue or unpaid debts. In this connection it has to be remembered that the bank has helped him to a great extent. To that extent it is Government money; it is public money and only a portion of it may belong to a private individual.

Even if it belongs to a private individual, I cannot understand why the law should say that the Bank shall not realise the debts. Why should it be at all suggested that no provision be made whereby the bank will be enabled to realise its monies. It appears that any piece of legislation should be consistent with practical money lending politics. Therefore I strongly oppose the motion. I would also suggest that if this amendment is passed it will retard the working of the Bank; it will certainly bring down the credit machinery which it otherwise would have. Therefore I would request the honourable members to consider this question seriously when voting comes.

**PRESIDENT**: It is now half past four and I have consulted the organised parties through their leaders and they have no objection to sit for one or one and a half hours more after an interval after five. So that we may make some more progress with regard to this Bill. Tomorrow, practically the whole of the afternoon would be devoted to other business and very little time would be available in the morning after question time. I therefore propose, and I am glad the proposal has the acceptance of the parties concerned, to adjourn at 5 and reassemble at 5·30 and go on till a bulk of the business is over.

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**MR. M. SIVATHANU PILLAI:** I also oppose this amendment. The main object of the Bill is intended to help the agriculturists of the State and also to give a helping hand to the industrialists of the country. The Bank intends doing so by advancing long term loans. As has been pointed out by most of the honourable members, after consideration of the several aspects of the question, the question of the value of the property, the yield of the property, the question of granting loan is considered by the Bank. So the object of the Bank is to help the agriculturists. Now if the agriculturists turn round and say, "you have advanced money on this particular item of property, whether it has deteriorated in value or whether it is destroyed, it is none of our concern". That position reminds me of a personal experience some years back in British India. Some fifteen or sixteen years back, several College students were messing in a hotel. Among them, there were two who stoutly refused to pay the mess dues. The hotel keeper unfortunately happened to be a Trichur Brahmin. While he was serving the meals he began to threaten to stop feeding particularly the defaulters when he came near the defaulters. He told them "you pay the dues at least for the 6th month, let alone the bills for the five months (past) which I shall get leisurely. The student turned round and told him "my karnavan did not send me the money for the mess dues but only for the college fees. What am I to do?" It would appear that the hotel keeper is responsible for the (education), of these students. The argument advanced by the mover of the amendment is like the argument of these college students. I ask seriously whether it is proper and whether it is not non-moral to put forward such an argument. Nobody will advance or deposit money in a Bank which is not notable easily to realise its own loan. With these words, I oppose the amendment.

**MR. N. V. JOSEPH:** I oppose the amendment. I do not quite see the practical utility to be served by this amendment. The amendment says:—"In the case of loans advanced on the security of immovable property, neither the person of the debtor nor any property other than that given as security shall be liable for such debt." We have not yet made any provision prohibiting the Bank from advancing loans on immovable property combined with personal security. The amendment contemplates loans advanced on the security of immovable property alone. When people come for money they can very well get a mortgage on immovable property and on personal security. So long as you do not prohibit to lend money on security of immovable property and on personal security, this provision is practically of no use and if money is advanced on security of immovable property alone exempting personal liability, it follows naturally that the person of the debtor is not responsible. As it stands, this amendment does not serve any purpose at all according to me. So I oppose it.

**MR. K. R. NARAYANAN:** സർ, കർഷകർ ബാങ്കിൽനിന്നും പണം കടമായി എടുക്കുമ്പോൾ, കടം എടുക്കുന്നവരുടെ വസ്തുക്കളുടെ കോടി വില നോക്കി ഒരംശം മാത്രമാണ് സാധാരണ കടമായി കൊടുക്കാറുള്ള

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[Mr. K. R. Narayanan.]

തു്. അങ്ങനെ കൊടുക്കുന്ന കടത്തിനു് ആ വസ്തുവിനും പുറമെ അവ ന്റെ സ്വന്തശരീരവും മറ്റു സ്വത്തുക്കളും എന്തിനു ഉത്തരവാദിത്വം ചെയ്യേണ്ടിവരുമെന്നു് എനിക്കു മനസ്സിലാകുന്നില്ല. മി. സുബ്രഹ്മണ്യ യ്യർ പറഞ്ഞതുപൊലെ വസ്തുനോക്കി കടം കൊടുക്കുന്ന സമ്പ്രദായം പുല ർത്തുകയും ആധം നോക്കി കൊടുക്കുന്ന സമ്പ്രദായം നിറുത്തുകയും ചെ യ്താൽ ഈ മഹാ ശല്യത്തിൽനിന്നും നമുക്കു രക്ഷപ്പെടാവുന്നതാണു്

(At this stage Mr. S. Sesha Iyer, tried to cross between the Chair and the speaker).

**PRESIDENT**: The honourable member cannot cross between the Chair and the speaker.

**MR. K. R. NARAYANAN**: സർ, ഈ ഭേദഗതിയെ എതിർത്തുകൊണ്ടു് ബഹുമാനപ്പെട്ട ചില മെമ്പർമാർ പറഞ്ഞ കാര്യങ്ങളെപ്പറ്റി ഞാൻ അവഗാഢമായി ആലോചിച്ചു. ചില വാദമുഖങ്ങളിൽ എനിക്കു വലിയ അത്ഭുതം തോന്നുന്നുണ്ടു്. അവർ പറഞ്ഞതിന്റെ മറുവശത്തുള്ള പര മാർത്ഥങ്ങൾകൂടി ശരിക്കു് അറിഞ്ഞുകൊണ്ടാണു് ഇപ്രകാരം പറയു ന്നതെന്നു് പലതുകൊണ്ടും ഊഹിക്കാം. മി. പുതുപ്പള്ളി കൃഷ്ണപിള്ളയുടെ വാദമുഖമാണു് എന്നെ ഏറ്റവും കൂടുതലായി അത്ഭുതപ്പെടുത്തിയതു്. തിരുവിതാംകൂറിലെ കൃഷിക്കാർ സാധാരണ കടം വാങ്ങിച്ചാൽ തിരി യെ കൊടുക്കുന്ന ശീലക്കാരല്ലെന്നും, അവർ കടം വാങ്ങിച്ചു കഴിഞ്ഞാൽ പിന്നെ വസ്തുനാക്കുകയില്ലായെന്നുമാണു് അദ്ദേഹം പറഞ്ഞതു്. ഇതിനു ത്തരം പറയേണ്ടതു് ഞാനാണോ, ഋണനിവാരണകമ്മിറ്റി റിപ്പോർ ട്ടെഴുതിയ ലാൻഡ് റവന്യു കമ്മീഷണരും ലാമെമ്പറും ആണോ, എന്നുള്ള കാര്യം ചിന്തനീയമാണു്.

**MR. PUTHUPALLY S. KRISHNA PILLAI**: On a word of personal explanation. I am afraid my friend Mr. K. R. Narayanan has not understood what I have said. Probably it is because I have been speaking in English.

There are debtors and debts amongst agriculturists. But that expression or that qualification is not a charter against the tendency to be negligent, to be unable to pay or unwilling to pay.

**MR. K. R. NARAYANAN**: മി. പുതുപ്പള്ളി കൃഷ്ണപിള്ള ആദ്യം പറ ഞ്ഞതിനെക്കാൾ എന്റെ അഭിപ്രായത്തോടു വിയോജിക്കത്തക്ക രൂപ ത്തിൽ, ഇപ്പോൾ പ്രസ്താവിച്ച മറുപടിയിൽനിന്നും ഒരു പുതിയ അർ ത്ഥവും ഞാൻ കാണുന്നില്ല. വ്യത്യാസം വാചകത്തിൽ മയം വന്നുവെ ന്നുമാത്രം. തിരുവിതാംകൂറിലെ കർഷകർ വാങ്ങിച്ചാൽ കൊടുക്കാത്ത വരാണെന്നോ അല്ലെങ്കിൽ കൊടുക്കുകയില്ലെന്ന വിചാരമുള്ളവരാണെന്നോ

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ണനിവാരണ കമ്മറിക്കാരുടെ റിപ്പോർട്ടിൽ പറയുന്നില്ല. നേരെമ റിച്ച് അതിൽ കാണുന്നത് ഇവിടത്തെ കർഷകർ കടം വീട്ടണമെന്ന വിചാരമുണ്ടായിരുന്നിട്ടും കൊടുത്തു തീക്കുന്നതിനുള്ള കഴിവില്ലാതെവന്നതു നിമിത്താ കടക്കാരായി പരുങ്ങുന്നവരാണെന്നാണ്.

MR. E. P. VERGHESE : വസ്തുവിന്റെ വില കുറഞ്ഞുപോയാലൊ?

MR. K. R. NARAYANAN : വസ്തുവിന്റെ വില കുറഞ്ഞുപോയാൽ, ഉൽപ്പന്നങ്ങൾക്ക വിലയിടിവു സംഭവിച്ചാൽ, അല്ലെങ്കിൽ വെള്ളപ്പൊക്കമോ അവിചാരിത നാശങ്ങളൊ ഉണ്ടായാൽ ഇതേപ്പറ്റി പ്രത്യേകം പരിഗണിക്കേണ്ടതാണ്. അതിനു പ്രത്യേകം പരിഹാരം ഉണ്ടാക്കേണ്ടതാണെന്നും എനിക്ക് അഭിപ്രായമുണ്ട്. ഒരാൾക്ക പതിനായിരം രൂപ കൊടുക്കണമെങ്കിൽ മുപ്പതിനായിരമൊ അൻപതിനായിരമോ വിലപ്പിടിപ്പുള്ള വസ്തുക്കൾ ജാമ്യം തന്നാൽ മാത്രമെ കൊടുക്കുകയുള്ളു എന്ന് ഒരു വ്യവസ്ഥ ചെയ്താൽ ഇങ്ങനെയുള്ള യാദൃശ്ചിക വിഷമങ്ങളിൽനിന്നും രക്ഷപ്പെടാമല്ലോ. ആ വഴിക്ക പോകാതെ പതിനായിരം രൂപക്ക പിടിപ്പുള്ള ഒരു വസ്തു ജാമ്യത്തിന്മേൽ പന്തീരായിരം രൂപ കൊടുത്തുകഴിഞ്ഞതിനശേഷം കുടിശിഖ ഉണ്ടായാൽ ആ വസ്തുവിനും പുറമെ അവന്റെ മറ്റുള്ള വസ്തുക്കളേയും പിടിക്കാമെന്ന വച്ചിരിക്കുന്നത് വളരെ കഷ്ടമാണ്. വസ്തുനോക്കാതെ തവണ കുടിശ്ശിഖവരുത്തുമെന്നു പറയുന്നതു "മൂക്കു മുറിച്ചെങ്കിലും ശകുനം മുടക്കണമെ"ന്നു പറയുന്നതുപോലെയാണ.

അതിനാൽ മി. പുതുപ്പള്ളി കുഞ്ഞുപിള്ള അദ്ദേഹത്തിന്റെ പ്രസംഗം നിറുത്തിയ വാചകത്തിൽ തന്നെയാണ ഞാൻ എന്റെ പ്രസംഗവും നിറുത്തുവാൻ വിചാരിക്കുന്നത്. ഈ പ്രശ്നം ഈ യോഗം ഏറ്റവും ഗൌരവമായി ചിന്തിക്കണമെന്നുള്ള വാചകത്തിലാണല്ലോ അദ്ദേഹം നിറുത്തിയത്. കടംകൊണ്ട് ശ്വാസംമുട്ടി കഷ്ടപ്പെട്ട് ഇരിക്കുന്ന ഒരു അവസരമാണ് കർഷകക്ക് ഇന്നുള്ളത്. അവരുടെ ഋണത്തിനെന്നും പറഞ്ഞാണ് ഇപ്പോൾ ഈ ബിൽ രൂപവൽക്കരിച്ചിരിക്കുന്നത്. ഇന്ന് അവക്ക കടങ്ങൾ ഉണ്ടെങ്കിലും കുറെ സ്വത്തുക്കളും ഉണ്ട്. എന്നാൽ ഈ ബില്ലിന്റെ ഫലസ്തങ്ങൾ ഇതു ടീർഘങ്ങളും കക്ശങ്ങളുമായാൽ പൊറുക്കുവാൻ കൊടുത്തതു മരിക്കുവാനെന്നപോലെ കർഷകർ വസ്തു ഹീനന്മാരായിത്തീരുകയില്ലയോ എന്നാണ എന്റെ ഭയം. അതിനാൽ മി: കുഞ്ഞുപിള്ളയുടെ പ്രസംഗാവസാനത്തിലെ വാചകംപോലെ ഈ പ്രശ്നത്തെപ്പറ്റി ഈ സഭ വളരെ വളരെ ഗൌരവമായി ചിന്തിക്കണമെന്നു പറഞ്ഞുകൊണ്ടു ഞാൻ മി. തോമസിന്റെ ഭേദഗതിയെ പിന്താങ്ങുന്നു.

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MR. KAYALAM PARAMESVARAN PILLAI: I oppose this amendment. The general law, as every member of this House will concede, is that if a money lender or Bank lends money, the borrower may be proceeded against as regards his immovable property as well as any other property. That is the law with regard to Bankers and money lenders who advance money, this amendment is directed against such general law, as regards this Bank alone. The money lenders and bankers may proceed against *any* property of the debtor. Now what is the necessity for a special provision is. With regard to this Bank alone, which sets out to advance money at 3 or $3\frac{1}{2}$ per cent. interest as it intended to hinder its working by such restrictions. I ask what is the reason for that? It is far from me to impute any motives. But the effect of this amendment will be that those Bankers who advance money at 10 and 12 per cent. will be allowed to prosper and this Bank which advances money at 3 or 4 per cent. interest should be made to go to dogs. Is it the idea of the honourable members? Perhaps it may not be their intention. But that would be the effect of the amendment. I trust honourable members will consider this point when they come to a division on this matter. Apart from that, it should be remembered that this Bank advances money generally on long terms. The money will have realised therefore after say five or ten years. It may be that conditions may change by that time. The value of property may also change. We know that recently the paddy fields at Nanjinad which used to fetch 2,000 to 3,000 rupees per acre fell to Rs. 700 and less for an acre. And necessity may arise for proceeding against properties other than charged.

Then again there is another question namely that of loans to industrialists. These industrialists may borrow money and make profits with the money so borrowed. Against which property I ask should the bank proceed for realising their dues. The Bank should be allowed like all banks to proceed against *any* property.

PRESIDENT: Before this amendment is put to vote I would speak a few words to make the position clear. Suppose a person owns 1000 acres of land. Out of that 1000 acres of land he takes 200 acres and on that 200 acres he borrows 10,000 rupees from the Bank. With the money borrowed he makes some improvements on the 800 acres of land never going near that 200 acres to make any improvement. According to this amendment the result will be that the man will get 10,000 rupees as a present from the bank because the bank will not be able to proceed against the 800 acres of land which is his sole other property. I am sure the hon'ble members have not seen the drift of this aspect.

The amendment was put to the vote of the House and lost.

The question that clause 26 do stand part of the Bill was put to vote and carried.

The Clause was added to the Bill.

**Clause 27.**

MR. K. T. THOMAS: I beg to move the following amendment for the consideration of the House:

"In Clause 27, sub-clause (ii), line 2, delete the words' "if our Government elect so to do."

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The reason why I move this amendment is this. It is accepted that the Institution would be under very effective and strict control of the Government. Provisions there are in the body of the Bill for securing absolute control of the institution by the Government. Now in Section 27 where it deals with the constitution of the Board it is said that there shall be, if I adopt the figures, 11 Directors—2 share holders to be nominated by Government from time to time, 2 officials, one to be nominated from the debenture holders and 6 share holders to be elected by the Bank. The clause, " if Our Government elect so to do " is allowed to be retained it is possible that in some event the Board of Directors would consist only of eight, because it is possible that Government may not appoint the 2 officials. The purpose of moving this amendment is to make it incumbent on the Government always to see that there are two officials in the Board subject to the disciplinary control of the Government. It is possible that in answer to this amendment I may be told that there is the possibility of Government controlling at least 50 per cent of the shares that are now proposed to be issued. Even conceding that position the best that could be made out of this is that the Government may be in a position today to control the election from the share holders to the Directorate by commanding 50 per cent of the shares and thus make it possible for them to command a majority in the Directorate. But provisions already accepted by this House earlier in the day empower the Board with the sanction of Government to issue the rest of the authorised capital by way of shares. Chances may occur when Government may not be controlling 50 per cent of the shares : Perhaps I may be told also that the first Directorate will be absolutely nominated by the Government; Therefore this may not be necessary. I may assure the House that I am alive to the possibilities which may follow in future with the constitution of the Directorate now and the condition after some years. Therefore it is that the amendment is proposed to make it incumbent on the Government to always nominate two officials to serve on the Directorate to have seme control exercised on the Board by our Government whether they hold the majority of the shares of not. I am only anxious that this Bank shall not be allowed to be functioned without an effective Government control over it. I would say that although it is possible for the Government to exercise very close and strict supervision by virtue of the powers vested in them by the provisions of the Bill it may also be possible for the Government by acting through the members of the Directorate not only to exercise supervision but also to take initiative andgive the direction for the working of the Bank. With these observation I move that sub-clause 2 of clause 27 be deleted

**MR. T. P. VELAYUDHAN PILLAI:** Sir, I support the amendment.

**MR. M. KESAVA PANICKAR:** Sir, I rise to support the amendment. In the statement of objects and resons of the Bill it is stated that two officials will be nominated on the Board of Directors by the Government. As it is, it is discretionary on the part of Government, to appoint two officials or not to appoint them. What I suggest is that this option

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[Mr. M. Kesava Panickar.]

should not be left to the Government. But it should be made obligatory on the part of Government to appoint two officials on the Board of Directors.

**MR. KAYALAM PARAMESVARAN PILLAI:** Sir, I oppose the amendment. I quite agree that Government should have real control over the bank and over the Board of Directors. But for that purpose it is not necessary to have two officials always on the Board. It has already been pointed out by Mr. Thomas that Government will have a considerable number of shares and so Government's power on the Directorate is secure. So there would be no necessity always to nominate two officials on the Board. I trust Mr. Thomas would realise this position.

**PRESIDENT:** I may just intervene at this stage and say what the present idea of the Government is. The Government have to exercise some control over the Bank because many lakhs of rupees are involved. That being so, the selection from the share-holders will largely be made with a view to exercise adequate control. So far as Government officials are concerned there is just the danger that they may be regarded as a kind of *deusex machinae* that is, there may be a feeling that the other Directors might thrust too much responsibility on them and as a result of that the whole thing might become a Government show. Such instances are not wanting. While avoiding such a result it is possible and it is necessary for Government to have some kind of personal touch with the day-to-day working of the Bank. In any case, one official will certainly be there and probably he will be able to scrutinise the financial operations. The question whether two officials or more than two should be in the Directorate will be decided later at the discretion of the Government. It does not mean that the Government does not want to have two Directors.

The amendment was put to the vote of the House and lost.

The question that Clause 27 do form part of the Bill was then put and carried.

The clause was added to the Bill.

**Clause 28.**

The question that Clause 28 do form part of the Bill was then put and carried.

The Clause was added to the Bill.

**Clause 29.**

The question that Clause 29 do stand part of the Bill was then put and carried.

The Clause was added to the Bill.

**MR. K. T. THOMAS:** Sir, it is past 5.

**PRESIDENT:** The House may adjourn and re-assemble at 5-30 P.M. today.

The House adjourned at 5-2 P. M., and re-assembled at 5-33 P. M.

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**Clause 30.**

The question that Clause 30 do form part of the Bill was put to vote and carried.

The clause was added to the Bill.

**Clause 31.**

**MR. KANNARA GOPALA PANICKAR:** Sir, I beg to move the following amendment:—

"In clause 31, sub-clause (1), after the word 'Secretary' add the words 'appointed by Our Government and the Bank shall pay such Secretary, such salary and allowances as may be fixed by our Government'."

**MR. PUTHUPALLY S. KRISHNA PILLAI:** I have not been able to understand the amendment; I could not hear the honourable member, and we have no copies of the amendment.

**PRESIDENT:** Will you kindly explain your amendment, Mr. Gopala Panickar?

**MR. KANNARA GOPALA PANICKAR:** സർ, ഇപ്പോൾ ഈ ബില്ലിൽ പറഞ്ഞിരിക്കുന്നത് ഈ ബാങ്കിന്റെ സെക്രട്ടറിയെ മൂന്നു വർഷത്തേക്ക് ഗവണ്മെന്റിൽനിന്നും നിയമിക്കണമെന്നും പിന്നീട് ബോർഡ് ആഫ് ഡയറക്ടേഴ്സ് സെക്രട്ടറിയെ ആണ്ടുതോറും നിയമിച്ചുകൊള്ളണമെന്നുമാണ്. എന്നാൽ സെക്രട്ടറിയെ എല്ലായ്പോഴും ഗവണ്മെന്റിൽനിന്നും തന്നെ നിയമിക്കണമെന്നുള്ളതാണ് എന്റെ ഭേദഗതി. അതുപോലെ തന്നെ സെക്രട്ടറിയുടെ ശമ്പളവും അലവൻസും ഗവണ്മെന്റിൽനിന്നു തന്നെ നിശ്ചയിക്കണം. സെക്രട്ടറിയെ നിയമിക്കുന്നതിനുള്ള അധികാരം ആദ്യം ഗവണ്മെന്റിലിരിക്കുകയും പിന്നീട് ആ അധികാരത്തെ ബോർഡിനു കൊടുക്കുകയും ചെയ്താൽ ഡയറക്ടർമാരുടെ ഇടയിൽത്തന്നെ അഭിപ്രായവ്യത്യാസങ്ങൾ ഉണ്ടാകുന്നതിനും തൻനിമിത്തം ബാങ്കിന്റെ പ്രവർത്തനം ഹാനികരമായിത്തീരുന്നതിനും കാരണമാകുന്നതാണ്. പല ബാങ്കുകളുടെ പ്രവർത്തനങ്ങളിലും കുഴപ്പം വന്നിട്ടുള്ളതു വലിയ ശമ്പളവും അധികാരവുമുള്ള ഉദ്യോഗസ്ഥന്മാരുടെ നിയമനം സംബന്ധിച്ച് ബാങ്കുപ്രവർത്തകന്മാർ തമ്മിൽ അഭിപ്രായവ്യത്യാസമുണ്ടായിട്ടുള്ളതിൽ നിന്നാണ്. നേരേമറിച്ച് ഗവണ്മെന്റിൽ നിന്നുതന്നെ നിയമനം നടത്തുന്നതായാൽ അഭിപ്രായവ്യത്യാസങ്ങൾക്കോ ബാങ്കിന്റെ പ്രവർത്തനത്തിനോ യാതൊരു ദോഷവും സംഭവിക്കുകയില്ല.

സെക്രട്ടറിയുടെ അലവൻസും മറും ഡയറക്ടർമാർ നിശ്ചയിക്കുന്ന അവസരത്തിൽ ചില പിശകുകളെല്ലാം വന്നു എന്നു വരാം. അതുകൊണ്ടു സെക്രട്ടറിയെ ഗവണ്മെന്റുതന്നെ നിയമിക്കേണ്ടതാണ്, അതുപോലെ സെക്രട്ടറിയുടെ ശമ്പളവും അലവൻസും ഗവണ്മെന്റുതന്നെ നിശ്ചയിക്കുകയും വേണം. ഈ ഭേദഗതിയെ ഞാൻ ഇവിടെ ഹാജരാക്കിക്കൊള്ളുന്നു.

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[Mr. Kannara Gopala Panickar.]

അതോടുകൂടി സെക്ഷൻ നൂറ-ൽ സബ് ക്ലാസ് ഡ-ം നു-ം എട്ടത്തുകളയണമെന്നുള്ള ഒരു ഭേദഗതിക്കൂടി ഞാൻ ഇവിടെ അവതരിപ്പിക്കുന്നുണ്ട്. സെക്രട്ടറിയെ ഗവണ്മെൻറിൽ നിന്നുതന്നെ നിയമിക്കണമെന്നു വന്നാൽ സബ് ക്ലാസ് ഡ-ം നു-ം ആവശ്യം ഉണ്ടാവുകയില്ല. അതുകൊണ്ട് സബ് ക്ലാസ് രണ്ടും മൂന്നും എട്ടത്തുകളയണമെന്നുള്ള ഭേദഗതിയേയും ഞാൻ ഇവിടെ അവതരിപ്പിക്കുന്നു.

MR. T. C. KESAVA PILLAI : സർ, ഞാൻ ഈ ഭേദഗതിയെ എതിർക്കുന്നു. അഫിഷ്യൽ പ്രസിഡൻറുള്ള മുനിസിപ്പാലിറ്റികളിൽ പലതിലും പല പരാതികളും കണ്ടു വരുന്നുണ്ട്. ബാങ്ക് എന്നു പറയുന്നതിനും ഗവണ്മെൻറ് എന്നു പറയുന്നതിനും വളരെ വ്യത്യാസമുണ്ടാകാം. ഗവണ്മെൻറിന് ബാങ്ക് സംബന്ധമായി കർശനമായ ചില നടപടികൾ ചിലപ്പോൾ ചെയ്യേണ്ടിവരും. അങ്ങനെ വരുമ്പോൾ ലക്ഷക്കണക്കിനു മൂലധനം നിക്ഷേപിച്ചിരിക്കുന്ന ഗവണ്മെൻറിൻെറ ഭൂരിപക്ഷത്തിനു ബാങ്കു വിധേയമായിത്തീരും എന്നു വന്നാൽ അതു് തിരുവിതാംകൂറിലെ പൊതുജനക്ഷേമത്തിനും ഈ സഭയുടെ അന്തസ്സിനും വളരെ ഹാനികരമായിട്ടുള്ളതാണ്. അതുകൊണ്ട് ഗവണ്മെൻറിനു നാം ഇത്രമാത്രം ശക്തി കൊടുക്കുന്നതു ശരിയല്ല. തൽക്കാലം മൂന്നു വർഷത്തേക്കു് ഗവണ്മെൻറിൽനിന്നും സെക്രട്ടറിയെ നിയമിക്കുകയും ബാങ്കിൻെറ ജോലിയുടങ്ങി ശരിയായി വന്നതിനുശേഷം സെക്രട്ടറിയെ ബോർഡിൽനിന്നും തിരഞ്ഞെടുക്കണമെന്നും ബില്ലിൽ പറഞ്ഞിരിക്കുന്ന തത്വത്തെ അനുകൂലിച്ചുകൊണ്ട് ഈ ഭേദഗതിയെ എതിർക്കുന്നു.

MR. V. K. VELAYUDHAN : I support the amendment. Clause 31 as it stands makes provision for the Government to appoint the Secretary only for the first three years. Both in regard to the shares and in regard to the debentures of the Bank, the primary attractions held out to the investing public is the Government guarantee. Government have held out their credit as security for the proper functioning of this Bank. It is therefore necessary that the Government should exercise effective control in the functioning of the Bank. The Secretary is the chief executive officer of the Bank. Therefore, for effective control, certainly the Secretary must always be appointed by the Government. I therefore support the amendment.

MR. KAYALAM PARAMESVARAN PILLAI : I oppose the amendment. No doubt there are some advantages in the Secretary being appointed always by the Government. But, the Board of Directors also must feel some responsibility in carrying out the work of the Bank. If the Government always intervene, the Board of Directors will never realise its full responsibility. And, naturally, the Secretary appointed by the Government will not feel his duty to the Directors as much as the

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Secretary appointed by the Board of Directors. After all, it is the Board that is to work the Bank. It is not the idea that the Government would not or need not exercise any control or that Government control should be minimised. But, the Board of Directors also must feel their responsibilities in working the Bank. Hence the present provision in the Bill.

**MR. KANNARA GOPALA PANICKAR :** സെക്രട്ടറിയെ ഗവണ്മെൻറിൽ നിന്നും നിയമിക്കുന്നതല്ലേ കൂടുതൽ ഉത്തരവാദിത്വമുള്ളത്?

**MR. KAYALAM PARAMESVARAN PILLAI:** അങ്ങനെ ചെയ്യാൽ ബാങ്കിന് ഒന്നിലും ഉത്തരവാദിത്വം തോന്നുകയില്ല.

**MR. KANNARA GOPALA PANICKAR :** ഡയറക്ടറന്മാരെ സംബന്ധിച്ചിടത്തോളമുള്ള നിയമനം ഗവണ്മെൻറിൽനിന്നല്ലേ നടത്തുന്നത്?

**MR. KAYALAM PARAMESVARAN PILLAI :** അങ്ങനെയാണെങ്കിൽ സെക്രട്ടറിയെ ഗവണ്മെൻറിൽനിന്നുതന്നെ നിയമിക്കണമെന്ന് അഭിപ്രായപ്പെടുന്നതെന്തിനാണ്?

**PRESIDENT :** There are three amendments, two in the name of Mr. Gopala Panicker and the third in the name of Mr. V. K. Velayudhan. The net result of the three amendments is the deletion of sub-clauses (2) and (3), and the amendment of sub-clause (1) by the addition of the words " appointed by Our Government....."

The amendment was put to vote and lost.

The question that Clause 31 do form part of the Bill was put to vote and carried.

The clause was added to the Bill.

**Clause 32.**

The question that Clause 32 do form part of the Bill was put to vote and carried.

The clause was added to the Bill.

**Clause 33.**

**MR. V. K. VELAYUDHAN :** I move that Clause 33 be deleted. This clause provides for getting over certain difficulties that may arise in the establishment of the Board, in the appointment of the Secretary or in the constitution of the first Board of Directors. A perusal of certain clauses which have already formed part of the Bill will show that this clause is a superfluity.

The difficulties that are contemplated under this clause are likely to occur in the matter of the establishment of the first Board of Directors or in the matter of the appointment of the Secretary or in the matter of the appointment of the Chairman. Clause 29 makes ample provision for the establishment of the first board. Clause 30 makes provision for the appointment of the first Chairman. And Clause 31 makes provision for the appointment of the firs Secretary. These clauses, Clauses 29 to 31 also make provision against all possible contingencies that are likely to arise in the establishment of the first



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[Mr. V. K. Velayudhan.]

board or in the appointment of the first Chairman or the Secretary. Therefore I cannot see what purpose this Clause 33, sub-clause (i) is intended to serve. Sub-clause (ii) if passed into law would nullify all the other provisions of this Bill. It is calculated to suspend all other clauses of this Bill. It is an extraordinary measure. My apprehension is that if sub-clause (ii) of Clause 33 is passed by this House there is no meaning in passing this Bill. For these reasons I move for the deletion of Clause 33.

MR. KANNARA GOPALA PANICKAR : സർ, ഞാൻ ഈ ഭേദഗതിയെ അനുകൂലിക്കുന്നു. സെക്ഷൻ നമ്പ, സബ്ക്ലാസ് ഥ-ൽ പറയുന്നതു "If any difficulty arises. ..... .....of the 1st Chairman, Secretary and directors and for the 1st meeting of the Board എന്നാണ്. അതായതു്:—ആദ്യത്തെ ബോർഡിനെ നിയമിക്കുമ്പോഠം എന്തെങ്കിലും വിഷമമുണ്ടാകുന്ന അവസരത്തിലും, ആദ്യത്തെ പ്രസിഡൻറിനെ നിയമിക്കുന്ന കാര്യത്തിൽ എന്തെങ്കിലും വിഷമം ഉണ്ടാകുന്ന അവസരത്തിലും, ആദ്യത്തെ സെക്രട്ടറിയെ നിയമിക്കുമ്പോഠം എന്തെങ്കിലും വിഷമങ്ങളുണ്ടാകുന്ന അവസരത്തിലും ഗവണ്മെൻറു അതിലേക്കുവേണ്ടി ചില ഉത്തരവു പാസ്സാക്കുകയും അതു നടപ്പിൽ വരുത്തുകയും ചെയ്യുമെന്നാണ്. ബഹുമാനപ്പെട്ട മെമ്പർ മി. വി. കെ. വേലായുധൻപറഞ്ഞതുപോലെ ആദ്യത്തെ ബോർഡു ഗവണ്മെൻറുതന്നെ നിയമിക്കുന്നതാണു. ആ ബോർഡ് ഉണ്ടായിക്കഴിഞ്ഞാൽ ആ ബോർഡിൽനിന്നും ഒരു ചെയർമാനെ തിരഞ്ഞെടുക്കാൻ ഒരു വിഷമവുമില്ല. ചെയർമാനെ തെരഞ്ഞെടുക്കുന്നതിനുള്ള അധികാരം ബോർഡിനുണ്ടു്. അതുനടപ്പിൽ വരുന്നതിനു ഗവണ്മെൻറു അംഗീകാരം വേണമെന്നു മാത്രമെയുള്ളൂ. തെരഞ്ഞെടുപ്പിൽ വിഷമമുണ്ടാകുമെങ്കിൽ ആദ്യത്തെ തെരഞ്ഞെടുപ്പിൽ മാത്രമല്ലാ എല്ലാ തെരഞ്ഞെടുപ്പിലും അതുണ്ടാകാം. അതുകൊണ്ടു് ആ കാര്യത്തിനു വിഷമമുണ്ടാവാൻ ഇടയില്ല. അതുപോലെതന്നെ ആദ്യത്തെ സെക്രട്ടറിയെ നിയമിക്കുന്നതും ഗവണ്മെൻറാണ്. ആ സെക്രട്ടറിക്കു കൊല്ലംവരെ കാലാവധിയുണ്ടു്. ഈ വക കാര്യങ്ങളിലൊന്നിലും യാതൊരു വിധത്തിലുള്ള വൈഷമ്യങ്ങളുമുണ്ടാകാനിടയില്ല.

അതുപോലെ സബ്ക്ലാസ് ഡ-ൽ പറയുന്നതു്. "Any such order may modify the provisions of this regulation..... .....for carrying the order into effect എന്നാണു്. ഇതു വളരെ പ്രയാസപ്പെട്ടു് ജനപ്രതിനിധികളെല്ലാം ചേർന്നു പാസാക്കുന്ന വകുപ്പുകളെ ഒരു ഗവണ്മെൻറുത്തരവുകൊണ്ടു് ഉപയോഗശൂന്യമാക്കാമെന്നുവന്നാൽ ഈ ബില്ലു് ഈ സഭ പാസാക്കുന്നതിൽ എന്താണു വിശേഷം? സബ്ക്ലാ

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സ് ഒ ആവശ്യമില്ലെന്ന മാത്രമല്ല ഇവിടെ അനാവശ്യവുമാണ്. അതു കൊണ്ട് ഈ ക്ലാസിനെ എടുത്തുകളയണമെന്നുള്ള ഭേദഗതിയെ ഞാൻ അനുകൂലിക്കുന്നു.

**MR. T. M. VARUGHESE**: I support this amendment. Clause 33, unlike some other clauses of this Bill is expected to have operation only for a period. It appears to make provision for the period that intervenes between the passing of this Regulation and the first general meeting. It has reference only to the constitution of the first board, the appointment of the first chairman, the first Secretary and the first directors. As has been pointed out by the honourable member Mr. Velayudhan and Mr. Gopala Panicker, this clause, read with clauses 30 and 31 will show that this provision is superfluous. Difficulty arising in respect of the constitution of the first board only means difficulty arising on the part of the Government in regard to the exercise of powers vested with Government under clauses 30 and 31. No provision need be made in regard to that. For no difficulty can possibly arise on the part of the Government in appointing the first directors the first secretary and in the Directors appointing their own chairman. If any difficulty is felt in the appointment of the first set of directors, the appointment of the first chairman or the appointment of the first secretary then sub-clause (2) comes into operation by which very extraordinary powers are vested in the Government, which under the circumstances would appear to be really unnecessary and not warranted by the circumstances. Government can for a time and probably with far-reaching consequences modify the provisions of this Regulation by means of sub-clause (2) of clause 33. These are powers which under the circumstances of the case are absolutely unnecessary and unwarranted. It is not a question of confidence or otherwise in the judgment of Government. There is always the possibility in the judgment of Government in these matters going wrong. Our function here presupposes the possibility of Government going wrong and also the possibility of our being able to tender to Government valuable and substantial advice, so that the occasions when Government may go wrong in their judgment may be minimised. There is no question of the judgment of Government being correct or otherwise. What I would suggest in supporting this amendment is that clause 33 as it stands is absolutely unnecessary and the powers that are tacked on by sub-clause (2) are also not called for in the circumstances of the case.

**MR. K. T. THOMAS**: In supporting the amendment I am alive to the possibility that the attention of the House would be drawn by the honourable Law Member to the existence of a like provision in certain British or British Indian enactments. But perhaps the amendment might not have received support from me if the expression "first" had not been tacked on to the "board," "chairman", "secretary", and "directors", because that would be vesting in Government a power to intervene in case it finds at any stage that it is difficult to constitute the board of directors. or to appoint a chairman or a secretary. But

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[Mr. K. T. Thomas.]

that is not what is sought to be vested in Government by the operation of clause 33. Clause 33 restricts its operation only to the first board, the first secretary and the first chairman. Indeed far be it from me to suggest that any difficulties can arise at all. Because in respect of them, as has been in season and out of season pointed out during the morning hours on the floor of this House, I have absolute confidence that the discretion vested in Government will be very guardedly exercised when they have to nominate the first directorate, appoint the first secretary and to secure the possibility of a board constituted by Government in electing a chairman who will be acceptable to Government For, a chairman on being elected has necessarily got to be approved by Government. So there are ample safeguards provided in clauses 29 to 31 to make it impossible for a contingency of mistake arising. The matter rests absolutely in the discretion of Government. Any director appointed or nominated by them may be removed by them. Not only that any vacancy occurring in the directorate as constituted by Government in the first instance may be filled in by them under clause 29. So there is absolutely no scope for a possibility of a mistake so far as the appointment of the first chairman, the first directorate and the first secretary is concerned. Therefore this is providing for a contingency which is absolutely uncalled for and may not reasonably be expected. Therefore it is that I make bold to suggest that had the word 'first" been dropped from clause 33, as found anticident to the 'board", "chairman", "secretary" and "directors", probably this objection might not have been raised. The possibility of a mistake in respect of the first board, secretary or chairman is beyond my comprehension and that is the main reason why I support the amendment. It is a matter which is vested in Government by the preceding clauses. It is a matter after all of nomination or appointment by Government. If they find for instance that any director nominated by them clases to retain their confidence necessarily it follows that they can remove him. So there cannot be any difficulty in the constitution of these bodies and as such I would support the amendment.

MR. E. SUBRAMONIA AIYAR: Sir, I would draw the attention of the House to clause 29 and then draw the attention of the House to to clause 27 and I would lay emphasis upon the word "nominated". There is no room for contention that "notwithstanding anything contained" refers only the mode of constituting the Board of directors. There are three modes of constitution contemplated by clause 27. So far as Government are concerned it is open to them to nominate persons but they must be share holders or debenture holders as the case may be. Now according to Section 7 of the Bill, the first issue and allotment of shares is to be done by the Government. If the Government desire to constitute the Board even before the issue and allotment of shares a difficulty may arise in spite of section 27. It cannot therefore be said without hesitation that section 33 is a superfluity.

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**MR. V. K. VELAYUDHAN:** Clause 33 says that the first board of Directors shall operate according to clause 27.

**MR. E. SUBRAMONIA AIYAR:** Yes, it operates on the first board of Directors.

The real question is whether the Government can nominate anybody and everybody. Clause 27 may lead to the interpretation that only shareholders can be nominated. Of course it is capable of a different construction as well. But as a lawyer I am unnable to say that it is a superfluity. This clause is put in as a matter of superabundant caution. Such a provision is necessary for the constitution of future boards also. When the amendment in respect of future boards is taken up I shall refer to them.

**MR. KAYALAM PARAMESVARAN PILLAI:** Sir, I oppose the amendment. The only ground on which it is supported is that it is a superfluity. The clause is put in as a matter of superabundant caution; not that difficulty will arise, but it may perhaps arise. If such a difficulty arises then there must be some provision for solving such difficulty. Sir, I oppose the amendment.

The amendment was put to vote and lost.

**Clause 33.**

**MR. T. P. VELAYUDHAN PILLAI:** Sir, I move the following amendment:—

"In clause 33, sub-clause (1), delete the word "first" wherever it occurs, and in line 4, after the word "Directors" add the words "or with respect to the meeting of the board, or the general meeting" and in line 8, after the word "board" at the end, add the words "or the general meeting", and also instead of the words "and" occurring in lines 7 and 8, substitute the word "or".

The clause as amended will read as follows:—

"(1) If any difficulty arises with respect to the establishment or constitution of the board, or with respect to the appointment of the Chairman or the Secretary or the Directors or with respect to the meeting of the board or the general meeting, our Government may by order, make any appointment or do anything which appears to them necessary or expedient for the proper establishment or constitution of the board or for the appointment of the Chairman, Secretary or Directors or for the meeting of the board or the general meeting."

Sir, clause 29 provides for the appointment of the first Directors by Government. Clause 31, sub-clause 2 is to the effect that the first Secretary will be appointed by Government for a period of three years from the commencement of this Regulation. So there cannot be any difficulty with regard to the constitution of the board or with respect to the appointment of the first Chairman or Directors. So on the whole there is absolutely no necessity for having this provision in the bill as such. But anyhow I wish that the bill should contain certain express provisions which will vest in the Government with residuary powers to be exercised at all times for removing any possible difficulty that may arise in future. It is with this object in view that I have moved this amendment.

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[Mr. T. P. Velayudhan Pillai.]

Moreover any difficulty with respect to the general meeting will also be removed by means of this amendment. The other changes are only verbal. With these words, I move the amendment for the acceptance of the House.

**MR. M. L. JANARDANA PILLAI:** Sir, I have pleasure in supporting the amendment moved by Mr. Velayudhan Pillai. Sir, if this useful institution is to be worked satisfactorily, I think this power should be vested in Government. When the articles and memorandum of association of a similar institution were discussed and passed with the approval of a Government officer specially deputed for the purpose it never occurred to the people who were responsible for passing them that a deadlock would occur subsequently. When deadlocks did happen subsequently, we found that Government had no power under the articles and memorandum of association to interfere and set matters aright. As a matter of fact, as one who had occasion to know things intimately whenever there was any action on the part of Government to set matters aright, the board always tried to checkmate such action on the part of Government. In fact it had been several times mentioned in this House that Government ought to have considerable authority and power to interfere in every stage in order to see that the bank functions efficiently. It may not be necessary to use this power at all times. If clause 33 is not amended as suggested, it will not give the necessary safeguards to prevent the Directors taking an attitude which is not condusive to the interests of the bank. If that clause is not amended in the form in which it is proposed and if the word "first" is not deleted, all the difficulties found elsewhere are sure to be repeated again. Therefore as a safeguard against such abuses taking place in future, I would earnestly recommend this amendment for the consideration of the House. It may be argued that more than 50 per cent of the shares are with Government add in the absence of the amendment there would be no difficuty at all. Instead of creating a situation which will make it necesssary for the Government to interfere directly with the shareholders, this clause only provides the necessary powers to remove the difficulty. I dare say that the authorities of the bank would themselves avoid difficulties because when this provision is found in the bill they would themselves see that such difficulties are not created as otherwise Government themselves would step in and remove those difficulties. The mere provision in the clause, I am sure, is likely to set such difficulties at rest. Therefore I have great pleasure in supporting the amendment.

**MR. K. T. THOMAS:** I also support the amendment.

**MR. KAYALAM PARAMESVARAN PILLAI:** Sir, I feel that I am in a somewhat embarassing situation. If I oppose the amendment, it would appear that Government are unwilling to take responsibility. At the same time I would ask the House to consider whether it is prepared to put so much power in the hands of the Government. Government will remain neutral on this question.

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**PRESIDENT :** I should like to explain the reason why the clause has been framed as it is. This was done with reference to certain contingencies that may arise. There is a similar provision in the Government of India Act. The Government of India Act gives special powers to His Majesty to remove difficulties that may arise in relation to the transition period from the old Government of India Act to the provisions of the new Act and whereas the nature of these difficulties cannot be fully foreseen it has been provided that His Majesty may take steps to overcome all difficulties. It is for a similar reason that such a clause is introduced in this bill also. If the House considers that wider powers should be given to Government it is for the House to say so. I now put the amendment to the vote.

The amendment was put and carried.

The question that clause 33 as amended do stand part of the bill was then put and carried.

The clause as amended was added to the bill.

**Clause 34.**

The question that clause 34 do stand part of the bill was then put and carried.

The clause was added to the bill.

**Clause 35.**

The question that Clause 35 do form Part of the Bill was then put and carried.

The Clause was added to the Bill.

**Clause 36.**

The question that Clause 36 do form Part of the Bill was then put and carried.

The Clause was added to the Bill.

**Clause 37.**

**MR. T. M. VARUGHESE :** Sir I move the following amendment :

Delete clause 37 and substitute the following :

"All contracts on behalf of the bank shall be made in writing signed by any person acting under its express written authority and may in the same manner be varied or discharged and all such contracts shall be effect in law and shall bind the bank and other parties thereto and their legal representatives."

The clause as it stands in the bill contains two sub-clauses. The first sub-clause has two paragraphs. All these are sought to be deleted and introduced in the form of one clause by the amendment I have proposed.

The Clause as it stands reads thus :

(1) Contracts on behalf of the Bank may be made as follows :—

(i) any contract which if made between private persons would be, by law, required to be in writing, signed by the parties to be

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[Mr. T. M. Varughese.]

charged therewith, may be made on behalf of the Bank in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

What is stated there is that any contract may be made on behalf of the Bank in writing signed by any person acting under its authority express or implied. My main objection is that the authority to be given by the bank to a person, whatever be his status, need not be expressed or implied. It says that such authority may be oral and need not be written. Certainly such a provision is dangerous so far as the working of the Bank is concerned. Semeone by virtue of an implied authority should never be allowed to deal on behalf of the Bank. What objection is there in stating in unmistakable terms that an officer of the Bank shall act under its written authority? What objection is there in enabling the officer of the bank to bind the Bank by his actions on behalf of the bank only by means of a written authority. Therefore I suggest that the authority to act on behalf of the Bank shall be written and not oral.

**MR. KAYALAM PARAMESVARAN PILLAI:** May I know how will that authority be given by the Bank?

**MR. T. M. VARUGHESE;** If it is a matter of the honourable member not knowing it. I can answer him. I think he knows that matter and it is known to everybody that ordinary banks always function by means of powers, of attorney executed in favour of agents or sub-agents or accountants or other officers in the head office or branch offices as occasions arise.

**MR. KAYALAM PARAMESVARAN PILLAI:** Then under what provision of this Bill will that authority be given by the Bank?

**MR T. M. VARUGHESE:** If I have understood the honourable member aright, let the authority be clearly stated in the provision. The expression "express or implied" may be taken away and insert written". That is all the difference I suggest. From the source from which an authority express or implied proceeds, a written authority also may proceed. Certainly, the source granting the authority cannot be an illiterate.

**MR. KAYALAM PARAMESVARAN PILLAI:** I believe the honourable member is moving the amendment, a copy of which is typed and given to us.

**MR. T. P. VELAYUDHAN PILLAI;** I am not in possession of a copy of it.

**PRESIDENT:** For the information of the House, I shall read it once again.

Delete clause 37 and substitute the following:

"All contracts on behalf of the Bank shall be made in writing, signed by any person acting under its express written authority and may in the same manner be varied or discharged and all such contracts shall be effectual in law and shall bind a bank and all other parties thereto and their legal representatives."

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**MR. T. M. VARUGHESE:** So then Sir, all that I intend by this amendment in short is that there hould be no room left for an employee of the Bank either an agent or sub-agent in the head office or one of its branches to act on behalf of the bank without an express authority. It should not be stated that because of an agent's unauthorised action on behalf of the Bank the Bank is estopped from concluding the contract or that the agent who acted so was within the scope of his authority and so on. What I therefore show is that the present provisions are very dangerous to be left into the hands of persons who are dealing on behalf of the Bank as they will never in practice leave room for the Bank to say that the person who acted on behalf of the Bank had no such authority on the particular occasion. All the actions done on behalf of a bank shall be by an order written under the authority of the bank and not implied. The bank will have to deal in transactions involving very large amounts. When dealing with a concern of this type where very large interests are at stake, where transactions involving large amounts are entered into, to allow an agent of the Bank to act under an oral authority of the Bank is not at all proper. The accredited representatives of the Bank should always act under a written authority. When we are providing for the working of the Bank we, no doubt expect the Bank and people dealing with the Bank to act honourably. The possibility of an error creeping in must be nil so to say. There should be no room for mischief or fraud of any kind. So, for the loose provision contained in the Section. my amendment may be substituted. In other words, the Section has to be reframed in the manner suggested by me. Therefore I commend my amendment for the consideration of the House.

**MR. KAYALAM PARAMESVARAN PILLAI:** Sir, I oppose the amendment, as it is. If his amendment had been to omit the expressions "express or implied" I could have considered its acceptability. The proposed amendment if accepted would create dead locks in the working of the Bank. For instance if the Bank wants to purchase 2 reams of paper, it will have to be made in writing. If the provision were to the effect that no contract shall be entered into without an order in writing, then the Bank will be hampered in its day to day work. The Bank may even refuse to pay money for services done.

**MR. K. T. THOMAS:** Is it the point of the Law Member that the Bank cannot pay cash for the stationery purchased?

**MR. KAYALAM PARAMESVARAN PILLAI:** If the idea of Mr. Varughese had been that cash should be paid in advance for every service rendered to the Bank, I can understand the proposition. If that is the idea, then it should be stated in clear terms.

I may say that the provision embodied in the Bill is an exact copy of the provision of the Indian Companies Act. I may mention however that when bye-laws for the conduct of the Bank are framed, proper provisions will be made and there will be no difficulties.

**PRESIDENT:** The honourable member can draw the pointed attention of the House to similar provisions in other enactments.

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**MR. KAYALAM PARAMESVARAN PILLAI:** The provision in the Indian Companies Act reads thus :

(1) Contracts on behalf of a company may be made as follows (that is to say) :—

(i) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company, in writing signed by any person acting under its authority, expresss or implied, and may in the same manner be varied or discharged ;

(ii) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives, as the case may be.

In the Imperial Bank Act also, the provision is the same.

The real point of Mr. T. M. Varughese is that some dangers may ensue in regard to the conduct of the Bank. There is a statutory obligation for the bank to make bye-laws for proper working of the bank. Provision for meeting all dangerous contingencies can be made there.

**MR. T. M. VARUGHESE:** Apart from the general provisions of the Company Law, are not safeguards provided in the rules relating to banks ?

**MR. KAYALAM PARAMESVARAN PILLAI:** We can also make that in the bye-laws of the Bank.

**PRESIDENT:** As the question has been raised, I may say that there is no doubt that in the operation of this Bill in future it is not only written orders but registered documents would be generally insisted upon by the bye-laws. The only object of this measure, as has been pointed out by the Law Member by reference to the Imperial Bank Act and the Companies Act is to prevent the possibility of repudiation of contracts, which in the nature of things may have to be made by parol. Honourable members may feel assured that when the working rules of the Bank come into operation, care will be taken to have all the possible defects to which attention has been drawn during the course of the discussion, removed.

The amendment was put to vote and lost.

The question that Clause 37 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 38.**

**MR. T. M. VARUGHESE:** Sub-section (2) of Section 38 is :—

"Such regulations may be altered by the Bank by a special resolution but no such alteration shall take effect unless and until approved by Our Government."

The amendment that I propose is that :—

"In Clause 38, sub-clause (2), line 2, after the word "resolution" insert the words "in a manner not inconsistent with the provisions of this Regulation and" and delete the word "but" in line 2."

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As proposed to be amended the Section will read thus :

"Such regulations may be altered by the Bank by a special resolution in a manner not in-consistent with the provisions of this Regulation and no such alteration shall take effect unless and until approved by Our Government."

Even without this amendment it may be conceded that it may not be easy or practicable to have regulations or provisions of the regulations so as to be inconsistent with the other provisions of this Regulation. All that I suggest by this amendment, as has been often expressed, in connection with the amendments suggested with regard to the previous sections of this Bill, is that at least as a matter of caution it is necessary and desirable that this provision is inserted. Nobody is going to be a loser by this amendment. The working of the Bank is not to be prejudiced or jeopardized. On the other hand, there is no doubt, a possibility, a distant possibility though it may be, that some alterations that is contemplated by the Bank may act in such a manner as to conflict with the other provisions of this Regulation. This is a provision to safeguard a contingency which is not unlikely to arise. I would therefore move this amendment for the acceptance of the House.

**MR. E. SUBRAMONIA AIYAR :** I do not know how the Bank can make alterations in schedule II which is inconsistent with the provisions of the Regulation.

Schedule II is a part of the Regulation. The amendment will come to this – that no provision in schedule II can be altered by the Bank.

**MR. T. M. VARUGHESE :** On a word of personal explanation, the alterations would not be inconsistent with the provisions of this Regulation. It is with the full knowledge that those alterations that are made should not be inconsistent with the provisions contained in schedule II or other provisions of the Regulation that I moved this amendment. Any alteration must always be consistent with the provision of the regulation that may be passed.

**MR. KAYALAM PARAMESVARAN PILLAI :** I oppose the amendment. Mr. Subramonia Aiyar has rightly pointed out a serious objection to accepting this amendment. Apparently, Mr. Varughese has not grasped Mr. Subramonia Aiyar's point that the provisions of schedule II are also as much a part of the Regulation as any section is.

The amendment was put to vote and lost.

The question that Clause 38 do form part of the Bill was put and carried.

The Clause was added to the Bill.

**Clause 39.**

The question that Clause 39 do form part of the Bill was put and carried.

The Clause was added to the Bill.

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**Clause 40.**

**MR. E. JOHN PHILIPOSE :** I have sent in this amendment with a view to bring this Clause in conformity with the other amendments that may be passed. So I beg leave of the Chair to move this amendment later on after discussing the amendments with regard to the rate of interest and other things.

**MR. T. P. VELAYUDHAN PILLAI :** I move that :—

"In sub-clause (1) (a), line 2, instead of "person or person", substitute the words "person or persons" and instead of the word 'he' substitnte the word 'the'."

This is intended only to correct mistakes in printing.

**MR. KAYALAM PARAMESVARAN PILLAI :** I second it.

The amendment was put to vote and carried.

**MR. KOTTALIL P. ABRAHAM :** I move that :—

"In sub-clause (1) (a), line 4 after the word "made" add the following : "and also the period of time beyond which an application for a loan should not be kept pending"

Under sub-clause (a) power is given to the Board to make bye-laws regarding the maximum amount which may be advanced or lent to any person or persons and the conditions (such as for example the rate of interest, the term of a loan and the method of repayment) under which advances or loans may be made. Along with that the time within which loans must be made should also be fixed by the Board. Otherwise it will create unnecessary and excessive trouble and waste of money by the borrowers who, under the present arrangement, have to come from distant parts, say for instance, from Devicolam or Muvattupuzha. Unless some branches of the Bank are established in the distant parts of the country people who are in need of money will have to come to Trivandrum often just to satisfy the conditions of the applications. They will have to run after the Proverthicars and several officers of the subordinate offices. They will have to visit Trivandrum on several occasions before they are finally told that they either get or do not get a loan. Under these circumstances it will be only fair and equitable to the applicants who come from distant placesithat the Board will be good enough to make a provision regarding the length of time an application may be pending. Although no express provision is made, if the Board members are fair and considerate enough to these applicants, of course, there may not be any trouble. For the satisfactory working of the Bank every thing depends upon the personnel. This will be a satisfactory provision for all concerned. With these remarks I place the amendment for the acceptance of the House.

**MR. KAYALAM PARAMESVARAN PILLAI :** Sir, I oppose the amendment. I do not think that Mr. Abraham's object is to hear from the Board, at the end of the prescribed period, that a previous application for loan is dismissed. What should really be done is this. We should in making bye-laws make bye-laws for this also and that matter will no doubt be attended to.

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**MR. KOTTALIL P. ABRAHAM :** In view of the assurance given by the Law Member, I beg to withdraw the amendment.

The amendment was by leave, withdrawn.

**MR. K. T. THOMAS :** We are at the question of the rate of interest on the loan advanced by the Bank and the period over which its repayment will be directed to be made.

**MR. KAYALAM PARAMESVARAN PILLAI :** Sir, I rise to a point of order. There was a full discussion on this matter and a decision was recorded. So unless Mr. Thomas is raising any new issue, this motion is out of order.

**PRESIDENT :** Was this point raised?

**MR. KAYALAM PARAMESVARAN PILLAI :** Yes, Sir,

**PRESIDENT :** Under which amendment ?

**MR. KAYALAM PARAMESVARAN PILLAI :** Under amendment No. 14. A proviso as sub-clause (*c*) to be added as follows: "such loans shall carry interest not exceeding four per cent per annum."

**MR. K. T. THOMAS :** Sir, when amendment No. 14 was moved by Mr. Abraham, before the discussion had proceeded further on it, the Dewan President was pleased to observe that he would reconsider the amendment when Mr. Thanu Pillai's amendment, *i. e.*, amendment No. 52, on similar lines will be taken up for consideration and the debate will be allowed with reference to Section 40 on the question of the rate of interest. I only request that before any ruling is given the President will take into consideration the reply that was then given by the Chair.

**PRESIDENT :** I think that I must concede that without due advertence to the results that flow, when Mr. Thanu Pillai put me the question, I had said that further debate could be allowed on Clause 40. I do not wish now to decide the question as a point of order. I think that on a matter of this kind any useful debate should not be curtailed. I therefore propose to allow the honourable member to move his amendment because I had given out the impression earlier that further debate might take place on the subject.

**MR. K. T. THOMAS :** The amendment which I propose to move.

**PRESIDENT :** Order, order. There must be, however, one penalty attached to the moving of this amendment. I would rather that this amendment is discussed and finished to-day. So, the honourable member will be brief in his observations as far as possible, so that this amendment is disposed of and finished to-day before we adjourn.

**MR. K. T. THOMAS :** The amendment proposed by me is by way of a proviso to sub-clause 1, to para (*a*), clause 40. The amendment is as follows :—

"Add the following provisos to sub-clause (1) (a):

"Provided that in the case of loans advanced on the security of immovable property, the rate of interest chargeable shall not exceed 4 per cent. per annum and the term for repayment of such loans shall not be less than 30 years ",

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[Mr. K. T. Thomas.]

"Provided however, that it shall be competent for the debtor to repay the entire amount or any portion thereof remaining unpaid of any time before the expiry of the term fixed in the agreement for the loan."

Sir, it is possible that by way of indicating the main need which impels me to press this amendment even at this stage I had better draw the attention of the House to the statement I made on an earlier occasion during the discussion of the principle of the Bill. It appears to me as matters stand to-day the agriculturist in Travancore is in a position in which it is impossible for him to pay anything more than 4 percent on the loan. Particularly is this so now; when the fact is remembered that it is really possible even under the existing conditions of the money market for the Government to float debentures at less than 4 per cent. It was suggested in respect of the term during the discussion earlier that it is possible for the rich asking for a loan to stipulate for a shorter period and the poor for a longer period, the industrialist for a shorter period and the agriculturist for a longer term and so it would be better to leave the fixing of the period to the discretion of the Board. I believe, Sir, the difficulty may be solved by the inclusion of the second proviso and it may be possible for the debtor to enter into a contract which would enable him to discharge his debts when it is possible for him in instalments or in a lump. As in the question of fixing the rate of interest, I am alive to the circumstances that were given expression to by the Dewan President earlier that it is not the object of the Government to offer or to pay anything more than what is absolutely necessary on the debentures. Even without it I would have been prepared to take as implied; it should be made possible to secure cheap funds if we are to really help the agriculturist and take him out of the quag mire of debts and misery. So, the interest and a portion of the principal must be made returnable within a period of thirty years. Also it should be made possible for him to keep for himself a margin of profit from his agricultural income. Therefore, I suggest that the interest on loans should be fixed at 4 per cent. It may not be possible always to command funds at low interest owing to the fluctuations of the money market and the international situations which are undergoing changes at every moment. Considering for a moment that the international money market might change, the question arises whether it would be proper for the Government at this stage to borrow money by way of debentures at rates which would make it impossible to deal out loans to the agriculturists charging thereon a rate of interest which it would be *prima facie* impossible for him to pay. I am particularly keen on this aspect of the matter that it should be made possible for the agriculturist to repay the interest and a portion of the principal out of his income. If that is to be made possible the rate of interest should be certainly kept low. My amendment does not affect loans which may be granted for industrial purposes. It is possible for the industrialist who make probably a good deal of profits to pay even 12 percent interest or a higher rate.

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It would depend also on the international situation and the condition of the money market elsewhere. But I am concerned primarily with the agriculturist and the rate of interest should be made so low as to enable him to pay it back with a portion of the principal. With these words I commend my amendment for the acceptance of the House.

MR. K. P. KOCHUKORATHARAKAN: സർ, ഈ ഭേഗതിയെ ഞാൻ അനുകൂലിക്കുന്നു. ഓഹരി വിറ്റും ഡിബഞ്ചർ കടപ്പത്രങ്ങൾമുഖേനയും ആണല്ലൊ ബാങ്കിൽ പണം ഉണ്ടാകുന്നത്. അതിനാൽ നാം കൊല്ലത്തെ കാലാവധിവച്ച് പണം കർഷകക്കു കടം കൊടുക്കുന്നതിനു യാതൊരു പ്രയാസവുമില്ല. ഡിബഞ്ചർ കടപ്പത്രങ്ങൾ റെയിസ്സ് ചെയ്യുന്നതിന്റെ അവധി നാം കൊല്ലക്കാലത്തിൽ കുറയാതിരുന്നാൽ മതിയല്ലൊ. ഓഹരികൾ വിറ്റുവരുന്ന സംഖ്യകളെപ്പറ്റി ഇപ്രകാരം ഒന്നും തന്നെ നോക്കേണ്ട ആവശ്യവുമില്ല. ദീർഘകാലത്തേക്കുള്ള ഒരു കാലാവധിവച്ചു പണം കടം കൊടുക്കുന്നതിനാണ് ഈ ബിൽ എന്നു പറയുന്നുണ്ടെങ്കിലും കാലനിർണ്ണയത്തെപ്പറ്റി ഇതിൽ ഒന്നുംതന്നെ പറഞ്ഞുകാണുന്നില്ല. വ്യവസായികളെ സംബന്ധിച്ചാണെങ്കിൽ ദീർഘകാലത്തേക്കു വായ്പകൾ കൊടുത്തേതീരു എന്നില്ല. എന്നാൽ ബില്ലിന്റെ വ്യാപ്തി കർഷകരേയും വ്യവസായികളേയും ഒരുപോലെ ബാധിക്കുന്നതാണ്. ആ നിലയ്ക്കു കൃഷിക്കാർക്കു പണം കിട്ടാൻതന്നെ ഇടയുണ്ടോ എന്നു ഞാൻ സംശയിക്കുന്നു. ബില്ലിൽ ദീർഘകാലാവധി നാം കൊല്ലം എന്നു വ്യവസ്ഥ ചെയ്യുന്നതിനു യാതൊരു വിഷമവും ഞാൻ കാണുന്നില്ല. നിയമംകൊണ്ടതന്നെ അതു നിർബന്ധിച്ചുവയ്ക്കുയുംവേണം. അല്ലാത്തപക്ഷം അതു ഡയറക്ടറന്മാർ നിയന്ത്രിക്കുന്നതിനിടവരും. അവരുടെ നിയന്ത്രണത്തെ ചോദ്യംചെയ്യുന്നതാണ് ഈ നിയമം പാസ്സാക്കുന്ന ഈ സഭയ്ക്കു അധികാരമുണ്ടോ? കയ്യിൽ ഇരിക്കുന്നതു കൊടുത്തിട്ട് ഞാൻ കടക്കാം നീ പുതുപ്പിച്ചേക്കണം എന്നു പറയുന്നതുപോലെയുള്ള ഒരു പ്രവർത്തിയായിരിക്കും ഈ അധികാരം ഡയറക്ടർമാരിൽ നിക്ഷേപിക്കുക എന്നുള്ളതു്. അതുപോലെതന്നെ പലിശയും നാല് ശതമാനം എന്നു വ്യവസ്ഥ ചെയ്യേണ്ടതാണു. ഇപ്പോൾതന്നെ അഞ്ചു ശതമാനം പലിശയ്ക്കു ചില ബാംങ്കുകളും പണവ്യാവസായികളും വസ്തു ഒറിവാങ്ങിച്ചു പണം കൊടുക്കുന്നുണ്ട്. ആ നിലയ്ക്കു അതിൽ കുറഞ്ഞ ഒരു പലിശനിരക്കിൽ ഈ ബാങ്കിനു പണം കടംകൊടുക്കാൻ സാധിക്കുമെന്നുള്ളതിൽ യാതൊരു സംശയവുമില്ല.

MR. KAYALAM PARAMESVARAN PILLAI: ഈ അഞ്ചു ശതമാനം മാസംതോറുമോ അണ്ടതോറുമോ?

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MR. K. P. KOCHUKORATHARAKAN: ആണ്ടിൽ ആണ്.

MR. M. SIVATHANU PILLAI: ആ ബാംകുകൾ ഏതെല്ലാമാണ്?

MR. K. P. KOCHUKORATHARAKAN: അതു പിന്നെപ്പറയാം.

നാലു ശതമാനം എന്ന വ്യവസ്ഥചെയ്യുവാൻ പാടില്ലായെന്ന ലാ മെമ്പർ പറയുന്നതു കേൾക്കുമ്പോൾ ആരോ ഏഴോ ശതമാനം പലിശ കർഷകർ കൊടുക്കേണ്ടിവരുമെന്നും തോന്നുന്നുണ്ട്. ഇങ്ങനെ കാലാവധിയെയും പലിശയെയും സംബന്ധിച്ചു വ്യക്തമായി ഈ ബില്ലിൽ പറയാതിരിക്കുന്നപക്ഷം ഈ ബില്ലുകൊണ്ടു് എന്തു പ്രയോജനമാണുണ്ടാകാൻപോകുന്നതെന്നാണു ഞാൻ ചോദിക്കുന്നതു്. ഈ പണം കടം കൊടുക്കുന്നതു് നല്ല ഉറപ്പുനോക്കി കൊടുത്താൽമതി. പക്ഷെ പലിശ ചുരുങ്ങിയതായിരിക്കണം. കൊടുത്തുതീക്കുന്നതിനു കൂടുതൽ സമയവും ഉണ്ടായിരിക്കണം

MR. H. B. MAHOMED ROWTHER: ഈ ബാംകുകൊണ്ടു കൃഷിക്കാക്കു എന്തു ഗുണമാണുണ്ടാകുന്നതു്?

MR. K. P. KOCHUKORATHARAKAN: കൃഷിക്കാക്കു പല ഗുണങ്ങളും ഉണ്ടാകുവാനുണ്ട്.

അതിനാൽ നാലു ശതമാനം പലിശ എന്നതന്നെ ക്ലിപ്തപ്പെടുത്തണം. ഈ പലിശ ര് ശതമാനം എന്നു ക്ലിപ്തപ്പെടുത്തുകയും കാലാവധി നാലോ കൊല്ലം എന്നു നിർണ്ണയിക്കുകയും ചെയ്താൽ ഈ ബാങ്കൊ തിരുവിതാംകൂർരാജ്യമൊ അറബിക്കടലിൽ മുങ്ങിപ്പോവുകയും മാറുമില്ല. കാലാവധിയും പലിശയും ക്ലിപ്തപ്പെടുത്താതിരിക്കുന്നപക്ഷം ഈ ബില്ലുതന്നെ ആവശ്യമില്ല. വല്ലാത്ത സന്തതി ഇല്ലാതിരിക്കുകയാണു ഭേദം. കാലാവധി ദീർഘമായി വയ്ക്കുന്നില്ലെങ്കിൽ കൃഷിക്കാരുടെ വസ്തുക്കൾ മുഴുവൻ ഒരു ക്ലിപ്തകാലത്തിനകം റവന്യൂ റിക്കവറി റഗുലേഷൻ അനുസരിച്ചു് വിറ്റുപോകും. ഗവണ്മെൻറിന് മൂന്നും മൂന്നരയും ശതമാനപലിശനിരക്കിനു പണം കടം കിട്ടും. ഗവണ്മെൻറിനു കിട്ടുന്ന പലിശനിരക്കിനെക്കാൾ ഒരു ശതമാനം കൂടുതൽവച്ചു കൃഷിക്കാക്ക് എന്തുകൊണ്ടു കൊടുത്തുകൂടാ എന്നാണു ഞാൻ ചോദിക്കുന്നതു്. പലിശ കൂടുതലായിരിക്കണമെന്നുള്ള അഭിപ്രായക്കാരായിരിക്കും ബാങ്കിംഗ് ഓഫീസർമാരായ ഡയറക്ടറന്മാർ. അതു് എനിക്കാണെങ്കിലും സ്വാഭാവികമായി ഉണ്ടാകുന്ന ഒരാഗ്രഹമാണു്. അതുകൊണ്ടാണു് പലിശനിരക്കു നിയമത്താൽ നിയന്ത്രിക്കപ്പെട്ടിരിക്കണമെന്നു ഞാൻ നിർബന്ധമായി പറയുന്നതു്. നാലു ശതമാനത്തെക്കാളും കുറഞ്ഞ

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നിരക്കിനു കർഷകക്കു പണം കടംകൊടുക്കണമെന്നുള്ള അഭിപ്രായക്കാരനാണു ഞാൻ. അതില്ലെങ്കിലും നാലു ശതമാനമെന്നു ക്ലിപ്തപ്പെടുത്തി നിയമം നിർമ്മിക്കേണ്ടതും എന്തുകൊണ്ടും അത്യാവശ്യമാണ്. കൃഷിക്കാരെ രക്ഷിക്കണമെന്നുള്ള ഉദ്ദേശമാണ് ഈ ബില്ലുകൊണ്ടു സാധിക്കേണ്ടതെങ്കിൽ ദീർഘമായ ഒരു കാലാവധിയും ചുരുങ്ങിയ ഒരു പലിശനിരക്കും ഈ ബില്ലുമൂലംതന്നെ ക്ലിപ്തപ്പെടുത്തേണ്ടതു് എന്തുകൊണ്ടും അത്യാവശ്യമാകുന്നു. തിരുവിതാംകൂർ ഗവണ്മെൻറിന്റെ ജാമ്യത്തിൽ ഈ ബാങ്കു ഡിബഞ്ചർ കടപ്പത്രങ്ങൾ റെയിസ്സുചെയ്തു പണമുണ്ടാക്കി കൂടുതൽ പലിശയ്ക്കു തിരുവിതാംകൂർകാരായ കർഷകക്കു കടംകൊടുത്തു ലാഭമുണ്ടാക്കി ഈ ബാങ്കിലെ ഓഹരിക്കാക്കു് ആദായം വീതിച്ചു കൊടുക്കുക എന്നു വന്നാൽ അതു് എന്തുകൊണ്ടും ഭീമമായ ഒരു അനീതിയായി ഈ നാട്ടുകാർ എന്നും സ്മരിക്കുമെന്നുകൂടെ ഞാൻ ഉറപ്പുപറഞ്ഞുകൊള്ളുന്നു.

MR. KAYALAM PARAMESVARAN PILLAI: I oppose this amendment. It was stated Sir, that the amendment was proposed on behalf of the agriculturist: I may be permitted to ask whether it is devil's advocacy on behalf of the agriculturists. Any one who really has the interest of the agriculturist at heart would not move such an amendment. Sir, Government have already promised that only the minimum rate of interest will be charged. But how is it possible to fix it at 4 per cent.? It has already been explained how the rate of interest would depend on the money market and other factors. If we statutorily fix the rate of interest at 4 per cent. it is very likely that the Bank may not able to lend at all. And who will suffer for it? Only the agriculturist, as he cannot get loans of 5 or 6 per cent. The commercial banks now working in the country and other money lenders may be allowed to carry on their business and to lend out money at 8 to 12 per cent. interest and also charge *vattam* etc. When Government want to help the agriculturist by making it possible to give him loans such reduced rate of interest, an amendment is moved that would result in the Bank not being able to lend at all. This means that the proposed Bank cannot function at all. If that is the real object of the sponsors of the amendment, then, certainly, they succeed by accepting this amendment.

I suppose good sense will prevail on the House, and the amendment will be thrown out.

The amendment was put to vote and lost.

MR. K. T. THOMAS: I demand a poll.

A poll was taken and the House divided as follows:

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AYES—22.

1. Mr. Kottalil P. Abraham
2. ,, Kannara Gopala Panicker
3. ,, C. Japamony Nadar
4. ,, A. J. John
5. ,, K. Kesavan
6. ,, M. Kesava Panickar
7. ,, T. C. Kesava Pillai
8. ,, K. P. Kochukora Tharakan
9. ,, P. K. Kumaran
10. ,, Thariathu Kunjithommen
11. ,, P. Kunjukrishnan
12. Mr. P. V. Mathai Chemparathy
13. ,, M. G. Mathew
14. Sahib Bahadur H. B. Muhamed Rowther
15. Mr. N. Narayana Kurup
16. ,, E. John Philipose
17. ,, P. J. Sebastian
18. ,, E. Subramonia Aiyar
19. ,, A. Thanu Pillai
20. ,, K. T. Thomas
21. ,, T. M. Varughese
22. ,, V. K. Velayudhan

NOES—29.

1. Sahib Bahadur V. Chandamiah
2. Mr. C. V. Chandrasekharan
3. ,, S. Chattanatha Karayalar
4. ,, E. E. Pandarathil
5. ,, D. Francis
6. ,, K. George
7. ,, M. L. Janardana Pillai
8. ,, N. John Joseph
9. ,, Joseph Vithayathil
10. ,, K. C. Karunakaran
11. ,, T. T. Kesavan Sastri
12. ,, Kaviyoor K. K. Kochukunju
13. ,, S. Krishna Aiyar
14. ,, Puthupalli S. Krishna Pillai
15. ,, C. Kumara Das
16. Rao Bahadur Rajyasevanirata Dr. N. Kunjan Pillai
17. Mr. K. Madhava Kurup
18. ,, K. R. Narayana Aiyar
19. ,, R. Narayanan Namboori
20. ,, Kayalam Paramesvaran Pillai
21. ,, J. E. A. Pereira
22. ,, R. Pitchu Aiyangar
23. ,, Codiveetil C. Ramankunju
24. Rao Bahadur A. Rengaswami Aiyar
25. Mr. S. Sesha Aiyar
26. ,, M. Sivathanu Pillai
27. ,, J. W. Tolson
28. ,, Puliyoor T. P. Velayudhan Pillai
29. ,, N. Velu Achary

NEUTRALS—4.

1. Mr. N. V. Joseph
2. ,, N. Ramakrishna Pillai
3. Mr. M. Ramiah Pillai
4. ,, E. P. Varghese

The amendment was declared lost, 22 voting for, 29 voting against, and 4 remaining neutrals.

The House adjourned at 7-5 P. M.

Trivandrum,
1-2-1938

E. I. CHACKO,
*Secretary, Sri Mulam Assembly.*

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